

**EYE ON**

**THE**

**FUTURE**

**ANNUAL  
REPORT**

**2022**

**OUR  
VISION**

**MOVING PEOPLE  
IN A SAFE,  
RELIABLE AND  
AFFORDABLE  
WAY.**

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## **OUR MISSION**

**TO ACHIEVE EXCELLENCE FOR OUR CUSTOMERS, EMPLOYEES, SHAREHOLDERS AND COMMUNITY. TO THIS END, WE ARE COMMITTED TO DELIVERING SAFE AND RELIABLE SERVICES AT AFFORDABLE PRICES, BEING AN EMPLOYER OF CHOICE, CREATING SIGNIFICANT SHAREHOLDER VALUE AND BECOMING A SOCIALLY RESPONSIBLE CORPORATE ROLE MODEL.**

## **OUR CORE BELIEFS**

**TO ACHIEVE OUR VISION AND MISSION, WE ARE GUIDED BY THE FOLLOWING BELIEFS:**

We will:

- Be driven by our customers' needs
- Strive for excellence in everything we do
- Act with integrity at all times
- Treat people with fairness and respect
- Maintain safety as a top priority
- Collaborate with our partners for a win-win outcome
- Give our shareholders a reasonable return

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# JOINT STATEMENT

## BY CHAIRMAN & GROUP CEO

**2022 was a year in recovery with the lifting of most COVID-19 pandemic restrictions. Pre-pandemic normalcy started to return and public transport ridership increased after two years of depressed demand. We are grateful to our dedicated frontline staff, who had stood with us throughout all this time, where they had also observed pandemic measures strictly to keep themselves and our passengers safe when providing essential public transport services.**





**BOB TAN BENG HAI**  
CHAIRMAN



**JEFFREY SIM VEE MING**  
GROUP CHIEF EXECUTIVE OFFICER

Our passengers and our people remained at the heart of what we do as we worked hard to provide public transport services. We explored and embraced new technologies to enhance our effectiveness and productivity, elevate commuters' experience and optimise the sustainable use of resources. Partnerships were also established to strengthen our capabilities. It was certainly a year of opportunities, renewal and growth.

### **PUBLIC TRANSPORT SERVICES**

We entered into our sixth year of operations under the Bus Contracting Model in 2022. Under this model, the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses. Bus operators are contracted and paid to operate public bus services through a competitive tendering process.

During the year under review, we operated a total of nine bus packages where two were tendered contracts. Collectively, we covered 218 bus routes with a market share of 62%.

Since 2018, we have been operating the two tendered contracts for a five-year term each. For the Seletar Bus Package, the Land Transport Authority (LTA) exercised its option in 2022 to extend the contract by another two years to March 2025. On the other hand, the contract for the Bukit Merah Bus Package will end in April 2024.

As for the seven bus packages under negotiated contracts, one of them - the Jurong West Bus Package - will expire in August 2024.

In November 2022, the LTA called for a cluster tender for the expiring two bus packages to enable the successful operator to tap on the synergy of the 43 service routes and reap cost efficiencies. As the biggest public bus operator in Singapore, we enjoy economies of scale and the benefits of synergy that come with it. Significantly, with our scale, we are able to explore new operational concepts and technologies more meaningfully to enhance productivity, raise the overall level of the local public bus industry and even lift it to world-class standards. We are therefore very excited to participate in the tender and will put in a competitive bid with a strong value proposition to the LTA.

In our rail business, we operated a total of 78 stations, comprising 16 MRT stations on the North East Line (NEL), 34 MRT stations on the Downtown Line (DTL), and 28 Light Rail Transit (LRT) stations on the Sengkang-Punggol LRT (SPLRT) systems. With a combined rail network spanning 83km, we maintained a market share of 30.6%.

**IN MEAN KILOMETRE BETWEEN FAILURE (MKBF), WHICH IS THE INTERNATIONALLY USED MEASURE FOR RAILWAY RELIABILITY, THE DTL CLOCKED 4.05 MILLION TRAIN-KM, AND FOR THE SECOND CONSECUTIVE YEAR, REMAINED THE MOST RELIABLE MRT LINE NOT ONLY IN SINGAPORE BUT ALSO GLOBALLY.**

With the resumption of regular activities, demand for our rail services increased by 33% with a total of 360.7 million passenger trips made in 2022. Despite the increases, total ridership was 18.9% lower than the pre-COVID-19 levels of 2019.

In Mean Kilometre Between Failure (MKBF), which is the internationally used measure for railway reliability, the DTL clocked 4.05 million train-km, and for the second consecutive year, remained the most reliable MRT line not only in Singapore but also globally. We commend the DTL team for its commitment, dedication and hard work in delivering a stellar performance. The 20-year-old NEL also clocked a commendable 2.06 million train-km while a 28.4% improvement was achieved on the SPLRT with an MKBF of 438,000 train-km compared to the previous year's 341,000 train-km. Our performance has earned us the recognition as an innovative rail operator not just locally but also around the world.

### **MAKING JOURNEYS BETTER FOR VULNERABLE PASSENGERS**

We believe that public transportation is for all, including those with disabilities. We engaged the various Social Service Agencies regularly to find out about their beneficiaries' commuting experiences and explored how we can do better to serve them. Besides service training that included experiential learning for our frontline staff, we introduced initiatives to help vulnerable passengers travel safely under our signature "Travel with Confidence" programme.

In collaboration with Dementia Singapore, we introduced a wayfinding initiative - "Find Your Way" - to help persons living with dementia navigate our transport hubs safely. Aimed at promoting self-help and independence, it has been implemented with valued inputs and guidance from persons with dementia. Launched at the Toa Payoh Bus Interchange and Chinatown MRT Station, it received strong

support and positive feedback. In 2023, we will continue with another seven locations and assess if the initiative should be expanded.

Complementing this initiative are the Go-to Points (GTPs), which serve as safe return points to offer assistance to persons with dementia who have lost their way. All our 50 MRT stations and 24 bus interchanges and terminals have been certified by the Agency for Integrated Care as GTPs and close to 750 staff attended specialised training to help persons with dementia.

The "Travel Buddy" initiative, was rolled out in December 2022 with the support of SPD - a local charity that helps people with disabilities. Upon request, trained staff accompany passengers with disabilities on their journeys and share practical tips in getting to their destinations to help them travel with confidence.

### **KEEPING OUR WORKPLACE SAFE**

Safety was a focal point as workplace fatalities in Singapore increased in 2022. This prompted the Ministry of Manpower to issue to all organisations a Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health (WSH) duties. It called for the integration of WSH practices into organisational processes and established clear responsibilities for Company Chief Executive Officers and directors in improving safety at the workplace and reinforced their accountability for accidents at work.

As safety remained a constant top priority in our operations, we were able to meet the requirements of the Code without much difficulty. This included aligning our business practices to the specified standards, reinforcing our safety resources, and streamlining our reporting of safety matters.

As part of the process, we reviewed our risk assessments and safe work procedures and conducted safety time-out



sessions. We also embraced a Just Culture and strongly encouraged staff to surface safety issues to improve safety standards at the workplace. We did this because we viewed the upholding of safe practices and reporting both their errors and system vulnerabilities as shared responsibilities between Management and staff.

As at 31 December 2022, we clocked 0.1 accident cases per 100,000 bus-km on the road. This was similar to 2021's rate and we remained committed to helping our Bus Captains (BCs) become safer drivers.

In 2022, we explored new technology solutions to avoid incidents involving runaway buses and reduce blind-spot related accidents. Following a successful trial, we are moving forward to install a device that emits audio alerts to remind BCs to engage their handbrakes whenever they leave their driving cabins. Meanwhile, the trial of a 360-degree 3D Surround View camera system to increase our BCs' visual awareness of their surroundings has been expanded to include more buses to assess its effectiveness.

## DEVELOPING OUR PEOPLE

We continued to invest in our employees by providing training to enhance their competency. This was reflected in the establishment of our Rail Training Institute in December 2022. Rail operations and engineering employees now have access to bite-sized courses and just-in-time training for almost immediate application. Leveraging on innovative technology such as Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality, staff can learn on the go instead of having to attend physical sessions.

As more green buses come on stream, our bus technicians continued to attend training programmes to be equipped in handling high voltage vehicles safely. In November 2022, 46 of our technical staff were the first in the industry to be certified under the new National Electric Vehicle Specialist Safety (NESS) course. Earlier, they also attained the Certificate of Competency at the Expert level in a course that we had jointly developed with the ITE College West on handling high voltage buses. The rest of our 480 technicians continued to be put through the basic module to equip them with some basic knowledge of working with these systems.



# JOINT STATEMENT

## BY CHAIRMAN & GROUP CEO

Besides technical skills, we remained committed to developing key soft skills in our employees. We collaborated with NTUC LearningHub for the development and delivery of critical core skills programmes under the SkillsFuture Singapore's Skills Framework for land transport workers.

### RECRUITMENT OF BUS CAPTAINS

As bus schedules were adjusted to cater to increased ridership, the need for more BCs intensified. The tight labour market unfortunately added to the challenging situation. To make the profession more attractive, we revised our salary package to be the most competitive in the industry and also highlighted our progressive wage model with alternative career progression paths mapped out for operations and management positions. We introduced four-day and five-day work weeks, in addition to our existing part-time scheme, to offer options to suit different work-life preferences of local applicants. The sign-on bonus was doubled while Singaporeans and Permanent Residents with heavy vehicle driving experience were offered higher starting salaries. As at 31 December 2022, we had 5,839 BCs of whom 733 were new hires.

### PARTNERSHIPS

In our continuous efforts to develop a steady pipeline of trained technicians for our public transport systems, we participated in ITE's Work-Study Diploma programme in Land Transport Engineering. Being the only public transport operator involved in this inaugural programme, we sponsored 21 students and paid them monthly salaries. Students divided their time between classroom studies and our workshops to obtain on-the-job training which gives them a good head start when they join the industry. We also participated in a similar programme with the other polytechnics.

We signed several Memoranda of Understanding with leading technology solutions providers to harness new and innovative technologies to elevate the commuting experience of our passengers. For instance, with Siemens Mobility, we are in a partnership to develop an Artificial Intelligence-based solution to optimise train deployment to cater better to passenger demand. If successful, this solution will be the first of its kind to be implemented in Asia Pacific.

With industry partners, we explored a data-driven approach to optimise productivity and ensure a more sustainable use of resources in the maintenance of trains as well as the replacement of component parts.

### SUSTAINABILITY

In 2022, our bus fleet comprised 3,562 buses - all of which were wheelchair-accessible. Nine in 10 buses were rated

Euro 5 and above which minimised environmental pollution. We also operated 56 green buses comprising 31 fully electric and 25 diesel-hybrid ones.

In recognition of our efforts to adopt water efficient measures in our premises and processes, 87 of our premises were awarded the Water Efficient Building (Basic) Certification from the PUB.

More details can be found in the Sustainability Report that has been produced with this Annual Report.

### RECOGNITION AND AWARDS

At the Singapore Corporate Awards, SBS Transit received the prestigious Best Managed Board Award (Gold) and the Best Risk Management Award (Gold) in the mid-cap category for exemplary corporate governance practices. We also bagged the Best Annual Report Award (Silver).

We also won the Excellence Award for Shareholder Communications as well as the Runner-up Award for Most Transparent Company (Industrials) at the Securities Investors Association (Singapore) Investors' Choice Awards.

In the Singapore Governance and Transparency Index 2022, we took the 17th position among 489 companies





while in the ASEAN Corporate Governance Scorecard, we were placed 26th against a field of Singapore's 100 largest listed companies.

At the workplace, we were the only public transport operator to be ranked among the top 200 best employers in Singapore in a study conducted by The Straits Times and global data firm, Statista.

In safety, our two bus packages - Bedok and Jurong West - won the Operational and Workplace Safety Excellence and Merit Awards respectively at the LTA's Public Transport Safety and Security Awards Day.

We also received recognition for our commitment towards and support for our rail workers' health and safety from the NTUC which presented us with the U Safe Champion Award.

At the Land Transport Excellence Awards 2022 organised by the LTA, we were conferred the Excellence and Merit awards in the "Best Land Transport Operations and Maintenance Initiatives" category, and our Last Mile Safety programme won the Excellence award in the "Innovative/Effective Safety Programme" category. We also received the merit prize in the "Best Service Partner (Service Delivery)" award.

Our staff also made us immensely proud. Our bus technicians continued to dominate the top two spots for the second year running as they pitted against the best in the industry in the LTA's BusTech Grand Challenge.

Senior BC Ng Swee Fatt received the SkillsFuture Fellowships 2022 from the President of Singapore, Mdm Halimah Yacob. This came with a \$10,000 training grant.

Our people also continued to be lauded for service excellence at the national Excellent Service Awards and the National Kindness Award-Transport Gold.

In the Public Transport Council's annual commuter satisfaction survey, we received a satisfaction rating of 93.8% compared to the industry's 92.7%. Our rail overall satisfaction score was 8.2, compared to the industry's average of 8.0, while our bus operations scored 7.7, which was on par with the industry's average.

#### **CIVIL SUIT**

The legal suit that 13 BCs have brought against the Company in 2019 came to a close with all their claims dismissed in the High Court in August 2022. Following the verdict, there was no appeal put forth by the lawyer representing the plaintiff, Mr Chua Qwong Meng, whose suit was a test case binding on



# JOINT STATEMENT

BY CHAIRMAN & GROUP CEO

## 2023 IS A SIGNIFICANT YEAR FOR US AS SBS TRANSIT TURNS 50. WE WILL BE HOLDING A SERIES OF ACTIVITIES TO MARK OUR HISTORICAL MILESTONES OF TRAVELLING TOGETHER WITH OUR COMMUTERS.

the other BCs. We had defended our case with vigour as we had not only complied with the Employment Act but had also gone beyond in the interest of our BCs.

### SHARING EXPERTISE

With the wealth of knowledge and experience that we have amassed in our rail operations and maintenance, we took a milestone step forward to offer rail consultancy services with the setting up of SBS Transit Mobility Pte Ltd. Through this entity, we collaborated with renowned international rail partners to share best practices and experiences to further enhance our rail expertise and strengthen our capabilities when tendering for new rail lines.

### FINANCIAL PERFORMANCE

Group Total Revenue for 2022 increased by 15.6% from \$1,310.8 million to \$1,515.3 million.

Revenue from Public Transport Services, which comprised bus and rail services, increased by 15.8% or \$199.7 million to \$1,465.0 million due mainly to higher fuel indexation from higher oil prices, and higher rail revenue from increased ridership. Demand for rail services rose by 33% with close to 360.7 million passenger trips made in 2022 as more people returned to work and leisure activities with the lifting of COVID-19 restrictions. This was, however, 18.9% below the pre-COVID-19 levels of 2019.

Revenue from Other Commercial Services business increased by 10.6% or \$4.8 million to \$50.3 million due mainly to higher advertising revenue as more advertisers resumed their campaigns.

Group operating costs increased by 14.2% or \$178.1 million to \$1,435.4 million due mainly to higher fuel and electricity costs as well as staff costs. The spike in energy prices pushed fuel and electricity costs up by 74.4% or \$110.6 million to \$259.3 million. Staff costs, which is the Group's largest cost

component, increased by 17.6% or \$110.4 million to \$735.9 million due to a competitive labour market.

Consequently, the Group posted an operating profit of \$79.9 million which was an increase of 49.2% or \$26.3 million compared to 2021.

Tax expense increased sharply by \$14.0 million to \$14.9 million due mainly to tax exemption from the Government's Jobs Support Scheme grant in 2021 and higher profits generated in 2022. As a result, the Group delivered a net profit attributable to shareholders of \$68.0 million - an increase of 31.7% or \$16.4 million.

Earnings per share was 21.81 cents, which was 31.7% higher than the 16.56 cents earned previously. As at 31 December 2022, total equity for the Group increased by 7.1% or \$42.7 million to \$644.3 million due mainly to profits generated from operations, partially offset by the dividends paid.

Your Directors have proposed a tax-exempt one-tier final dividend of 5.45 cents per share. Together with the tax-exempt one-tier interim dividend of 5.45 cents paid earlier, the total tax-exempt one-tier dividend to be paid out in 2022 will be 10.90 cents per share, 33% higher than the previous year. The dividend payout of 50% is in line with our dividend policy of distributing at least half of our profits as dividends. Based on year-end closing price of \$2.58, the dividend yield is 4.2%.

### LOOKING AHEAD

2023 is a significant year for us as SBS Transit turns 50. We will be holding a series of activities to mark our historical milestones of travelling together with our commuters. It will be an opportunity to celebrate with our people who have contributed to our success as well as with our commuters who have supported us all along. The community will also not be forgotten in our celebratory activities.

With the Government lifting all pandemic measures from February 2023, we expect demand for our services to continue to grow. Concurrently, we are mindful of the increased cost pressures from manpower and electricity. This becomes ever more critical for us to work with the LTA to implement more resource optimisation initiatives. It also presents opportunities for us to further explore ideas and solutions to reap greater productivity savings as well as institute long-term, sustainable processes and practices to reduce energy and resource usage.

We expect the tenders for the Jurong Region Line (JRL) and the Cross Island Line (CRL) to be announced by the LTA in the first half of 2023. The 24-km long JRL will be Singapore's seventh MRT line and serve the western areas including the Jurong Innovation District and the Nanyang Technological University. The CRL, which will be more than 50-km long, will raise the MRT network resilience with many interchange stations planned. We expect that it will greatly improve connectivity for commuters across Singapore. In anticipation, we have partnered French giant, RATP Dev, since 2020 to tap on their international expertise in engineering and operations to strengthen our bid offerings.

Besides being an inclusive public transport operator, we will step up efforts in the hiring of persons with disabilities. We believe in providing meaningful jobs to them and are confident that they can do well and contribute to the success of our Company. Currently, we have several of them who work on our frontline to provide assistance to commuters at the MRT stations and they are a testament to this.

### **APPRECIATION**

On behalf of the Board of Directors, we would like to place on record our deep appreciation to Mr Cheng Siak Kian, the former Group CEO of SBS Transit, who is now the Managing Director and Group CEO of our parent company, ComfortDelGro Corporation, for his leadership, invaluable contributions, and dedication over the past three years. He had steered the Company to be more focussed in delivering positive travel experiences for our passengers and in becoming a more caring and inclusive public transport operator. During the pandemic, he successfully galvanised our staff into a cohesive team to continue to deliver reliable public transport services for our passengers and kept staff morale high. I am delighted he has agreed to remain on the Board as our Deputy Chairman.

As Chairman, I am pleased to congratulate Jeffrey in his new appointment as Group CEO and look forward to his further contributions in particular in delivering our public transport services with a sharper focus on sustainability.

Together, we would like to thank our staff for their commitment, dedication and hard work in providing reliable public transport services every day. In spite of the challenges faced, they remained resilient and undaunted.

To our fellow Directors, thank you for your invaluable advice and contributions, continued guidance and unwavering support.

We would also like to thank the National Transport Workers' Union, the Authorities, Constituency Advisors and Grassroots Leaders for their cooperation, assistance, understanding and support.

A special word of thanks goes to the various Social Service Agencies which worked with us to make the commuting experience better for our vulnerable passengers.

To our passengers, thank you for your support and patronage. We remain committed to improving our services and service standards in meeting your travel needs.

Last but not least, we would like to express our deep appreciation to our loyal Shareholders.

### **BOB TAN BENG HAI**

CHAIRMAN

### **JEFFREY SIM VEE MING**

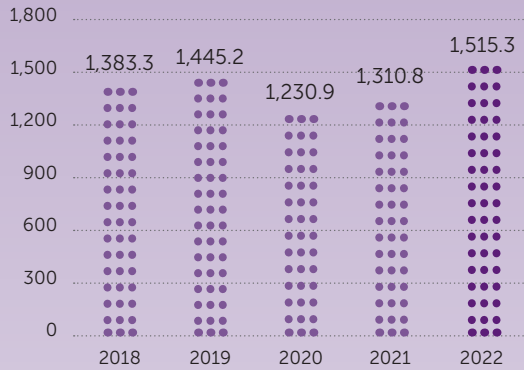
GROUP CHIEF EXECUTIVE OFFICER

MARCH 2023

# GROUP FINANCIAL HIGHLIGHTS

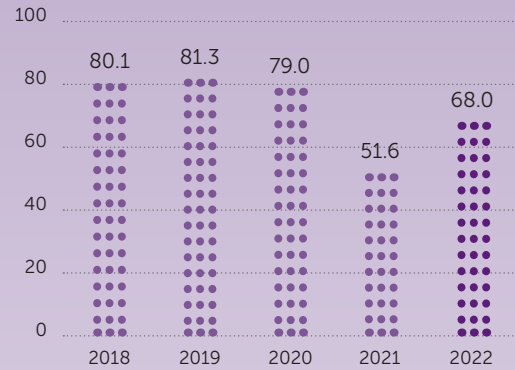
## REVENUE

(\$mil)



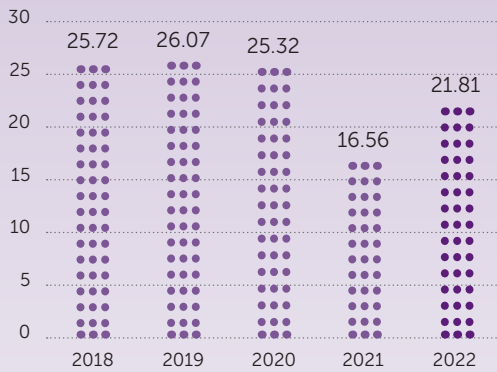
## PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(\$mil)



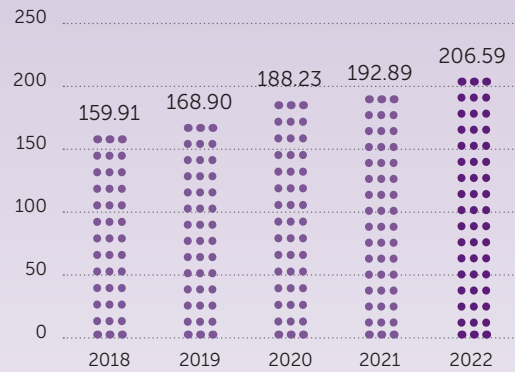
## EARNINGS PER ORDINARY SHARE

(cents)



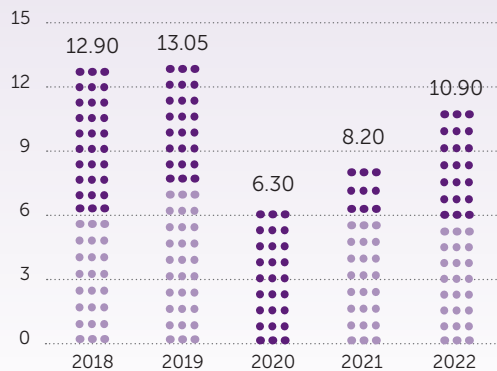
## NET ASSET VALUE PER ORDINARY SHARE

(cents)



## TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



## VALUE-ADDED PER EMPLOYEE

(\$'000)



● INTERIM ● FINAL



## SBS TRANSIT GROUP FINANCIAL SUMMARY

	2018	2019	2020	2021	2022
Revenue (\$'mil)	1,383.3	1,445.2	1,230.9	1,310.8	1,515.3
Operating costs (\$'mil)	1,286.0	1,341.7	1,151.0	1,257.3	1,435.4
Operating profit (\$'mil)	97.3	103.5	80.0	53.6	79.9
Profit attributable to shareholders (\$'mil)	80.1	81.3	79.0	51.6	68.0
EBITDA (\$'mil)	190.4	207.6	189.0	158.9	173.9
Issued capital (\$'mil)	100.2	100.5	100.5	100.5	100.5
Capital and reserves (\$'mil)	498.4	526.7	587.0	601.6	644.3
Capital disbursement (\$'mil)	27.8	29.0	18.3	33.1	10.7
Return on shareholders' equity (%)	16.9	15.9	14.2	8.7	10.9
Earnings per ordinary share (cents)	25.72	26.07	25.32	16.56	21.81
Net asset value per ordinary share (cents)	159.91	168.90	188.23	192.89	206.59
Interim dividend per ordinary share (cents)	5.80	7.15	-	5.75	5.45
Final dividend per ordinary share (cents)	7.10	5.90	6.30	2.45	5.45
Total dividend per ordinary share (cents)	12.90	13.05	6.30	8.20	10.90
Dividend cover (number of times)	2.0	2.0	4.0	2.0	2.0

## VALUE-ADDED FOR THE GROUP

	2018		2019		2020		2021		2022	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Suppliers of capital										
– dividends and term loan interest	33,765	3.7	48,686	5.2	21,647	2.8	38,918	4.9	26,110	2.8
Taxation to the government	32,066	3.5	28,731	3.1	7,488	1.0	10,841	1.4	25,302	2.7
Retained earnings	143,139	15.7	141,266	15.2	171,207	21.8	118,976	15.0	132,950	14.5
Employees										
– salaries and other staff costs	705,519	77.1	713,354	76.5	583,342	74.4	625,554	78.7	735,928	80.0
Total value-added	914,489	100.0	932,037	100.0	783,684	100.0	794,289	100.0	920,290	100.0
Number of employees	10,475		10,657		10,534		9,988		9,753	
Value-added per employee (\$'000)	<b>87.3</b>		<b>87.5</b>		<b>74.4</b>		<b>79.5</b>		<b>94.4</b>	

# BOARD OF DIRECTORS

As at 1 March 2023

## **BOB TAN BENG HAI**

CHAIRMAN OF THE BOARD  
INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MR BOB TAN** is the Chairman and an Independent Non-Executive Director of the Company. He is the Chairman of the SBST Tenders and Investments Committee (formerly known as "SBST Tenders Committee") and the Nominating and Remuneration Committee, as well as a member of the Sustainability Committee. He is also the Chairman of SBS Transit Rail Pte. Ltd., Jurong Engineering Ltd, CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.), CapitaLand Ascott Trust Management Limited, (formerly known as Ascott Residence Trust Management Limited) and Sentosa Development Corporation. He is a Board member of the Ong Teng Cheong Labour Leadership Institute, Securities Industry Council Member and Corporate Governance Advisory Committee Member of the Monetary Authority of Singapore, Council Member of the National Trades Union Congress (NTUC) Club Management Council, Director of Singapore Post Limited and Director of Bedrock Trust Pte. Ltd.

Mr Tan was awarded the Friend of Labour Award in 2000, the Public Service Star Award in 2010, the NTUC Meritorious Service Award in 2013, the Meritorious Service Medal (Pingat Jasa Gemilang) at the 2017 National Day Awards, Distinguished Service Award at the 2018 NTUC May Day Awards and the highest Distinguished Service Star Award at the 2022 NTUC May Day Awards.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Singapore Institute of Directors.



## CHENG SIAK KIAN

DEPUTY CHAIRMAN  
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
**28 APRIL 2022**

**MR CHENG SIAK KIAN** is the Deputy Chairman of the Company as well as a Non-Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee, and the SBST Tenders and Investments Committee.

He first joined the Company in September 2015 and served as Senior Vice President in the bus operations division where he was an integral member of the tender team that was successful in its bid for the Seletar Bus Package. In December 2016, he was posted to Australia to helm the New South Wales operations of ComfortDelGro, SBS Transit's parent company. He returned to the Company in July 2019 to assume the appointment of Chief Operating Officer and was promoted to Acting Chief Executive Officer on 1 March 2020. Subsequently, he was appointed the Chief Executive Officer of the Company from 1 March 2021 to 31 December 2022 with a concurrent appointment as Group Deputy Chief Executive Officer of ComfortDelGro from 16 March 2022 until 31 December 2022. Mr Cheng stepped down as Chief Executive Officer of the Company on 1 January 2023 to assume the position of Managing Director/Group Chief Executive Officer of the ComfortDelGro Group.

He obtained a Bachelor of Electrical and Electronic Engineering (First Class) from the University of Manchester, United Kingdom and a Master of Business Administration from the Massachusetts Institute of Technology, USA.



## JEFFREY SIM VEE MING

GROUP CHIEF EXECUTIVE OFFICER  
NON-INDEPENDENT EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
**1 JANUARY 2023**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
**N.A.**

**MR JEFFREY SIM VEE MING** is a Non-Independent Executive Director and Group Chief Executive Officer of the Company. He is a member of the SBST Tenders and Investments Committee, Service Quality Committee, and the Sustainability Committee.

He first joined the Company in 2015 and has helmed various appointments including being the Head of the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT), and Head of Rail Development and Head of Engineering for NEL and SPLRT. In January 2022, he was appointed the CEO of the Company's Rail Business. Mr Sim was subsequently appointed the Group Chief Executive Officer of the Company on 1 January 2023.

He is a Fellow and a Chartered Engineer accredited by the Institution of Engineers, Singapore (IES), and sits on the Board of the Singapore Rail Academy established by the Land Transport Authority. He is also an Industry Advisory Committee member of the Singapore Institute of Technology's Engineering Systems Programme. A member of the Transportation Standards Committee, he participates in the development and maintenance of relevant standards for the transportation industry.

Before joining the Company in 2015, Mr Sim was a Group Commander in the Republic of Singapore Air Force, where he spent 15 years holding various senior command and staff positions in engineering, maintenance, logistics and planning. He holds a Bachelor (Honours) and a Master of Engineering from the National University of Singapore (NUS) as well as a Master of Arts (with distinction) from Massey University, New Zealand. He has also attended executive management programmes conducted by the Lee Kuan Yew School of Public Policy and the NUS Business School.



# BOARD OF DIRECTORS

As at 1 March 2023

## LIM TIEN HOCK

CHIEF EXECUTIVE OFFICER, BUS BUSINESS  
NON-INDEPENDENT EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
**28 APRIL 2022**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
**N.A.**

**MR LIM TIEN HOCK** is Chief Executive Officer of the Company's Bus Business as well as a Non-Independent Executive Director. He is a member of both the Service Quality Committee and the Sustainability Committee. Mr Lim is also a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company.

Prior to this, he was the CEO of ComfortDelGro Driving Centre Pte Ltd and ComfortDelGro MedCare Pte Ltd. He joined the ComfortDelGro Group, the Company's parent company, in June 2012 and was Senior Vice President, Group Human Resource, ComfortDelGro, until his appointment to ComfortDelGro Driving Centre in August 2018. Mr Lim also held directorship in several subsidiaries of the ComfortDelGro Group, including Comfort Transportation Pte. Ltd., CityCab Pte Ltd and Ming Chuan Transportation Pte. Ltd.

Active in grassroots and community work, Mr Lim had previously been the Vice-Chairman of the Bukit Timah Citizens' Consultative Committee and also Chairman of the Bukit Timah Community Sports Club. A councillor with the Holland-Bukit Panjang Town Council, he had also served on the Committee of Community Chest Singapore.

Mr Lim had served in a number of senior appointments in the Ministry of Defence, Singapore and the Singapore Armed Forces, covering stints in training, operations and human resource.

He graduated from University College London, United Kingdom and holds a Master in Engineering (Electrical and Electronic). Mr Lim also holds a Master of Business Administration from Nanyang Fellows - MIT Sloan Programme.



## DESMOND CHOO PEY CHING

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
**28 APRIL 2022**

**MR DESMOND CHOO** is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Sustainability Committee.

He is currently the Assistant Secretary-General at the NTUC, overseeing the economic and social policies, strategic communications and international affairs teams. He is also the Executive Secretary of the Union of Telecoms Employees of Singapore and Adviser to Young NTUC.

Mr Choo is an elected Member of Parliament for Tampines Group Representative Constituency and the Adviser to Tampines Changkat Grassroots Organisations since 2015. He is also the Mayor of the North East District of the People's Association, overseeing social and community development for 20 constituencies. He is also the Vice Chairman of the Tampines Town Council. He also serves as Chairman of the Government Parliamentary Committee (GPC) for Manpower.

Mr Choo also sits on the Board of Directors for Surbana Jurong Pte Ltd and is a Board Member of the Singapore Economic Development Board (EDB).

Prior to NTUC, he had served in various roles in the Singapore Police Force (SPF), Ministry of Manpower as well as in the private sector. Prior to his NTUC appointment, he was Senior Vice President, Investments, of Kestrel Capital Pte Ltd. He was instrumental in leading the acquisition of Spanish La Liga's Valencia CF and development of the non-profit Foundation of Valencia CF. He was on the Board of the Foundation of Valencia CF. He also advised on the development of Hotel Football in Manchester, UK.

Mr Choo was awarded the SPF Overseas Merit Scholarship in 1997 to read Economics and Social Sciences at the University of Chicago.



## CHUA MUI HOONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**26 APRIL 2019**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**21 MAY 2020**

**MS CHUA MUI HOONG** is an Independent Non-Executive Director of the Company. She is a member of both the Audit and Risk Committee and the Service Quality Committee.

Ms Chua is a journalist and editor. She is an Associate Editor of The Straits Times, Singapore's leading English language daily news publication and was the Opinion editor from 2011 to 2020. She is the author of several books, including Singapore, Disrupted (2018).

She writes regularly on social and political affairs.

She is a former board member of the Agri-Food and Veterinary Authority, where she was a member of the Audit and Risk Committee. She is also a former director of Straits Times Press Pte. Ltd., a subsidiary of Singapore Press Holdings Limited (as it was then known).

She has over 30 years' experience in the media sector. As Associate Editor at The Straits Times, she writes regularly on public interest matters including on regulatory and governance issues.

Ms Chua holds a Bachelor of Arts (Honours) in English literature from Cambridge University and a Master in Public Administration from the Harvard Kennedy School.



## SUSAN KONG YIM PUI

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 OCTOBER 2017**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**21 MAY 2020**

**MS SUSAN KONG YIM PUI** is a Non-Independent Non-Executive Director of the Company. She is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee, and the SBST Tenders and Investments Committee.

Ms Kong was appointed an Independent Non-Executive Director of ComfortDelGro, the Company's parent company, with effect from 1 January 2023, when she was redesignated a Non-Independent Non-Executive Director of the Company.

Ms Kong has been a practicing lawyer for more than 30 years and founded Q.E.D. Law Corporation. She is recognised as a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets by Chambers Global, IFLR 1000, AsiaLaw and Euromoney Legal Group Guide.

Ms Kong has extensive international experience advising multinational companies, banks and financial institutions on investments and multi-jurisdictional joint ventures in ASEAN countries, China, India and Australia. On the corporate front, Ms Kong has been a director of Surbana Corporation Private Limited and UOB Radanasin Bank Public Company Limited in Thailand before it was reorganised as UOB Thailand.

Ms Kong is Chairperson of Singapore Tyler Print Institute, an art institution that has participated in many art fairs globally and has collaborations with artists and art institutions all over the world. Ms Kong is also a Director of HealthServe Limited.

Ms Kong holds a Bachelor of Laws (Hons) from the National University of Singapore.





# BOARD OF DIRECTORS

As at 1 March 2023

## LEE SOK KOON (MRS CONSTANCE KOH)

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 MAY 2017**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MRS CONSTANCE KOH** is an Independent Non-Executive Director of the Company. She is the Chairperson of the Audit and Risk Committee and a member of both the Service Quality Committee and the SBST Tenders and Investments Committee.

She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, all of which are public listed companies on the Singapore Exchange and an honorary member of the Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school. Mrs Koh is also an independent Non-Executive Director of NUS America Foundation, Inc., a tax exempt public charity in the United States of America and a member of the Finance and Investment Committee of The Singapore Island Country Club.

Mrs Koh was the Director of Operations in the Development Office of the National University of Singapore from May 2012 to August 2017. Prior to this appointment, Mrs Koh was the Finance Director of Lum Chang Holdings Ltd and L.C. Development Ltd (now known as AF Global Limited), both public companies which are listed on the Singapore Exchange. She was responsible for the finance and corporate affairs of the two listed companies covering all financial matters, corporate governance, tax, legal, corporate communications and internal audit for more than 20 years.

Mrs Koh holds a Bachelor of Accountancy (Hons) from the then University of Singapore in 1975. She is a Member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.



## LIM SEH CHUN

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 OCTOBER 2012**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

**PROFESSOR LIM SEH CHUN** is an Independent Non-Executive Director of the Company. He is the Chairman of the Sustainability Committee and a member of the Nominating and Remuneration Committee.

Professor Lim is the Associate Provost for Student Affairs at the Singapore University of Technology and Design. Prior to this, he spent more than 30 years with the National University of Singapore during which he held a number of management appointments including Special Assistant (Policy) to the Vice-Chancellor, Chief of Staff, Acting Director of Institutional Resources, an Associate President, Head of Department of Mechanical Engineering, Director of NUS-CREATE and Deputy Dean of Faculty of Engineering. His main research effort is to understand the friction and wear behaviour of engineering materials.

Professor Lim was a Public Service Commission (PSC) Overseas Merit Scholar. He holds a Bachelor of Arts (Hons) in Engineering Science from Oxford University, Master of Arts from Oxford University, Master of Engineering from National University of Singapore and Doctor of Philosophy from Cambridge University. He is a Fellow of the Institution of Engineers, Singapore, the Institution of Mechanical Engineers, UK and the Institute of Materials, Minerals and Mining, UK. He is a registered Professional Engineer in Singapore and a Chartered Engineer in the UK. He was awarded the Public Administration Medal (Silver) in 2005 and the Long Service Medal in 2006 by the President of the Republic of Singapore.

Professor Lim was a Director of the Singapore Symphonia Company Limited until October 2017. He is presently Chairman, Singapore School of Science and Technology Board of Directors.



## TAN KIM SIEW

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JUNE 2019**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**21 MAY 2020**

**DR TAN KIM SIEW** is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Service Quality Committee of the Company. He is also the Chairman and an Independent Non-Executive Director of VICOM Ltd.

Dr Tan is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore. From 2012 to 2014, Dr Tan served as Commissioner of Inland Revenue. Prior to this appointment, Dr Tan was the Permanent Secretary (Defence Development) of the Ministry of Defence from 2003 to 2012. He had also held other appointments in the public service, including CEO of the Urban Redevelopment Authority, Deputy Secretary in the Ministry of Finance and in the Ministry of National Development, Chairman of the Defence Science and Technology Agency, and Chairman of the DSO National Laboratories.

Dr Tan was awarded the Public Administration Medal (Silver) (Military) in 1990, the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 2001 and the Long Service Medal in 2003 by the President of the Republic of Singapore.

Dr Tan holds a Bachelor of Arts (Honours) (Engineering Tripos) with Distinction in Electronics Engineering and Doctor of Philosophy (Engineering) from the University of Cambridge.



## YU CHING MAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**26 APRIL 2018**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**PROFESSOR YU CHING MAN** is an Independent Non-Executive Director of the Company. He is the Chairman of the Service Quality Committee and a member of both the SBST Tenders and Investments Committee and Sustainability Committee.

Professor Yu is also a Director of E-Mobility Technology Limited.

Professor Yu is a Professor in the Department of Aviation Aeronautical Engineering at the Hong Kong Polytechnic University. He is also concurrently the Head of Training for the Flight Training Organization (HKCAD-509A) and Training Manager for Licensed Aircraft Engineers (HKAR-147) at the university.

Prior to this, he was a Professor and Programme Director in Sustainable Infrastructure Engineering (Land Transport) and Sustainable Infrastructure Engineering (Building Services) at the Singapore Institute of Technology (SIT). He was formerly with the Nanyang Technological University (NTU). During his tenure as Head of Aerospace Engineering at NTU in particular, he had successfully obtained a S\$50 million Grant from Civil Aviation Authority of Singapore (CAAS) to establish the Air Traffic Management Research Institute (ATMRI). He also helped to establish the LTA Research Centre for Railway Engineering at SIT. He is currently trainer for holistic gas turbine in Rolls Royce Singapore since 2010.

Professor Yu was awarded the Long Service Medal in 2017 by the President of the Republic of Singapore.

Professor Yu holds a Bachelor of Engineering (Hons), Associateship of the City and Guilds of London Institute, Doctor of Philosophy and Diploma of Imperial College from Imperial College of Science, Technology and Medicine UK.

He is a Chartered Engineer (UK), Fellow of the Institution of Mechanical Engineers (UK), Fellow of the Royal Aeronautical Society (UK), Fellow of the Hong Kong Institution of Engineers, Chartered Engineer in Transportation and Fellow of the Institution of Engineers, Singapore. He was a member in the IES Council and is an Independent Assessor for Chartered Engineers in various organisations.



# KEY MANAGEMENT

## RAIL

Mr Jeffrey Sim Vee Ming is the Group Chief Executive Officer (CEO) of SBS Transit and concurrently, the CEO of its Rail Business. He has been with the Company since 2015 and had helmed various appointments including being the Head of the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT), and Head of Engineering for both networks.

He is a Fellow and a Chartered Engineer accredited by the Institution of Engineers, Singapore and sits on the Board of the Land Transport Authority's Singapore Rail Academy. He is also an Industry Advisory Committee member of the Singapore Institute of Technology's Engineering Systems Programme. A member of the Transportation Standards Committee, he participates in the development and maintenance of relevant standards for the transportation industry.

Before joining SBS Transit in 2015, Mr Sim was a Group Commander in the Republic of Singapore Air Force where he spent 15 years holding various senior command and staff positions in engineering, maintenance, logistics and planning. He holds a Bachelor (Honours) and a Master of Engineering from the National University of Singapore (NUS) as well as a Master of Arts (with distinction) from Massey University, New Zealand. He has also attended executive management programmes conducted by the Lee Kuan Yew School of Public Policy and the NUS Business School.

### JEFFREY SIM VEE MING

CHIEF EXECUTIVE OFFICER,  
SBS TRANSIT RAIL BUSINESS



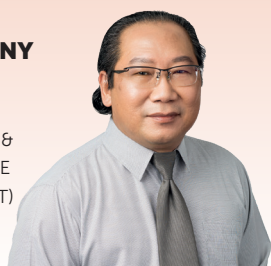
Mr Mok Peng Fai, Anthony was appointed Head of the North East Line (NEL) and the Sengkang-Punggol LRT (SPLRT) systems on 1 April 2022. Concurrently, he is also Head of Customer Experience and Operations for the NEL and SPLRT.

He has close to 20 years of railway experience starting out as a Chief Controller in the NEL's Operations Control Centre (OCC) where he was heavily involved in the start-up of the NEL, which was the world's first automated underground heavy metro system. Over the years, he assumed responsibilities for the daily operations of the SPLRT as well as the NEL's OCC. In October 2017, he was appointed Head of Operations for the NEL and SPLRT.

Mr Mok holds diplomas in Mechanical Engineering from the Singapore Polytechnic and in Management Studies from the Singapore Institute of Management.

### MOK PENG FAI, ANTHONY

HEAD NORTH EAST LINE AND  
SENGKANG-PUNGGOL LRT &  
HEAD CUSTOMER EXPERIENCE &  
OPERATIONS (NORTH EAST LINE  
AND SENGKANG-PUNGGOL LRT)



Mr Lee Yam Lim is the Head of Downtown Line. He has been with the Company for more than 20 years and was appointed to this position in May 2022. He was extensively involved in the start-up and maintenance of the North East Line, which was reputed as the world's first automated heavy metro system. He was also extensively involved in the bid for the Downtown Line and upon the award of the contract, headed its Signalling Department.

Mr Lee obtained a Bachelor of Computer Technology from the Nanyang Technological University. He is a member of the Institution of Engineers, Singapore and a registered Chartered Engineer in Railway Engineering accredited by the Institution of Engineers, Singapore.

### LEE YAM LIM

HEAD DOWNTOWN LINE &  
HEAD RAIL ENGINEERING  
(DOWNTOWN LINE)





## RAIL

Er. Foo Jang Kae is the Head of Engineering and Performance for the Rail division of SBS Transit. He is an experienced railway engineer specialising in railway traction power system. He had previously headed the engineering division of all the three rail lines operated by SBS Transit in his 20 years with the Company.

He is a registered Professional Engineer and a Licensed Electrical Engineer in Singapore. A Fellow and a Chartered Engineer accredited by the Institution of Engineers, Singapore, he is also a Chartered Engineer with the Engineering Council UK and a Member of the Institution of Engineering and Technology (UK). Er. Foo also serves as a member of the Industry Advisory Committee of the Singapore Institute of Technology's Electrical Power Engineering Programme.

He graduated with a First Class Honours in Electrical and Electronic Engineering from the Strathclyde University (UK). A British High Commission Raffles Scholar, he holds a Master of Science in Electrical Power Engineering from the University of Manchester, Institute of Science and Technology (UK).

**FOO JANG KAE**  
HEAD RAIL ENGINEERING &  
PERFORMANCE



Mr Quek Chin Hock was appointed Head of Customer Experience & Operations of the Downtown Line in January 2022. Prior to this, he was Head of Infrastructure and Permanent Way and has more than 20 years of experience in the maintenance of MRT Building Facilities and Permanent Way Track. His involvement with the North East Line (NEL) started when he interned as a student during the construction of the Little India and Farrer Park Stations before joining the Company in 2001.

Mr Quek holds a Bachelor in Civil Engineering from Nanyang Technological University of Singapore. He is also a Chartered Engineer accredited by the Institution of Engineers, Singapore.

**QUEK CHIN HOCK**  
HEAD CUSTOMER  
EXPERIENCE & OPERATIONS  
(DOWNTOWN LINE)



Mr Koh Boon Yeow was appointed Head of Engineering for the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT) in April 2022. He has been with the company since 2018 and had served in various positions including being the Head of Rolling Stock for both NEL and SPLRT as well as Head of Signalling and Communications for SPLRT.

Prior to joining SBS Transit, he had about 17 years of experience in engineering and maintenance. He obtained a Bachelor of Engineering (Honours) in Electrical Engineering from the National University of Singapore as well as a Master of Science in Communications Engineering from the Nanyang Technological University.

**KOH BOON YEOW**  
HEAD RAIL ENGINEERING  
(NORTH EAST LINE AND  
SENGKANG-PUNGGOL  
LIGHT RAIL TRANSIT)



As Head of Rail Development, Mr Danny Ho is responsible for leading projects and organisation-wide initiatives to enhance efficiency and effectiveness in operations and engineering including improvements in business processes.

Before he assumed this appointment, Mr Ho was the Deputy Head of Rolling Stock of the North East Line and Sengkang-Punggol LRT, where he led the asset renewal efforts for the various rolling stock systems.

Mr Ho holds a Bachelor of Engineering (Honours) from the National University of Singapore (NUS) and a Master of Engineering from the Naval Postgraduate School (NPS) in Monterey, California. He also graduated with a Master of Defence Technology and Systems from the Temasek Defence Systems Institute in NUS.

**HO KAH WEI, DANNY**  
HEAD RAIL DEVELOPMENT



# KEY MANAGEMENT

## BUS

Mr Lim Tien Hock was appointed Chief Executive Officer (CEO) of SBS Transit's Bus Business on 1 April 2022. Prior to this, he was the CEO of ComfortDelGro Driving Centre Pte Ltd and ComfortDelGro MedCare Pte Ltd. He joined the ComfortDelGro Group, which is SBS Transit's parent company, in June 2012 and was Senior Vice President, Group Human Resource, ComfortDelGro, until his appointment to ComfortDelGro Driving Centre in August 2018.

Mr Lim had served in a number of senior appointments in the Ministry of Defence, Singapore and the Singapore Armed Forces covering stints in training, operations and human resource. He graduated from University College London, United Kingdom and holds a Master in Engineering (Electrical and Electronic). Mr Lim also holds a Master of Business Administration from Nanyang Fellows - MIT Sloan Programme.

### **LIM TIEN HOCK**

CHIEF EXECUTIVE OFFICER,  
BUS BUSINESS



Mr Tan Eng Kok, Ivan is Head of Bus Business in SBS Transit. He joined SBS Transit in 1996 as Vice President (Corporate Development) and later assumed the position of Vice President (Operations). He was subsequently appointed Vice President in charge of bus operations for West District in 1998. He was promoted to Senior Vice President on 1 January 2012.

Prior to joining the Company, Mr Tan had worked as an Engineer with Hewlett Packard. He also has corporate planning and market research experience from his stint with the former Singapore Institute of Standards and Research (SISIR).

Mr Tan holds a Bachelor of Engineering (Honours) in Mechanical Engineering and a Master of Business Administration from the National University of Singapore.

### **TAN ENG KOK, IVAN**

HEAD OF BUS



Mr Pang Fui Eng, Ivan is Head of the Bus Engineering since 2016 and oversees all its departments in Bus Engineering Systems and Technology, Maintenance Planning and Bus Asset, Maintenance Operations and Support, and Quality Systems and Projects as well as the seven workshops and their Supplies sections. He joined SBS Transit as Deputy General Manager of Fleet Management in January 2007 after 25 years in the Singapore Armed Forces' Army Logistics Department.

He holds a Bachelor of Engineering (1st Class) in Mechanical Engineering from the University of Birmingham (UK) and a Master of Science (Gun Systems Design) from Cranfield University (UK).

### **PANG FUI ENG, IVAN**

HEAD BUS ENGINEERING



Mr Goh Pin Kai is Head of Bus Development where he is responsible for bus schedules and service analysis, bus contracts and bus tender bids and the employment of technology in operations. More than 17 years with the Company, he represents SBS Transit in discussions on major initiatives such as the Bus Service Reliability Framework. He had also been the team lead in the Company's Autonomous Vehicle journey by managing the first AV revenue service in 2021.

Mr Goh obtained a Bachelor of Engineering (2nd Class Upper) in Civil and Structural Engineering and a Master of Engineering from the Nanyang Technological University.

### **GOH PIN KAI**

HEAD BUS DEVELOPMENT



## CORPORATE

Ms Chew Kum Ee was appointed Chief Financial Officer on 11 May 2018 where she holds responsibilities for accounting, financial and statutory reporting, financial controls, budgeting, and taxation matters.

Prior to joining SBS Transit in December 2017, she was the Finance Director of Group Enterprise at Singapore Telecommunications Limited. She has over 20 years of financial management and accounting experience, including eight years in audit with PricewaterhouseCoopers.

She graduated with a Bachelor of Accountancy (Second Upper Honours) from Nanyang Technological University and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

### **CHEW KUM EE**

CHIEF FINANCIAL OFFICER



Mr Leow Chee Yen, Don is Chief Human Resource Officer where he is responsible for human resource management and development including the recruitment, retention, engagement and development of the Company's human capital and talent.

Prior to joining SBS Transit, he was with the Ministry of Trade and Industry where he was responsible for business partnering, compensation and benefits, recruitment, as well as employee engagement and welfare. He had also served in the Manpower Policy department of the Ministry of Defence.

Mr Leow has a Bachelor of Arts and Social Sciences Honours (2nd Class Upper) from the National University of Singapore.

### **LEOW CHEE YEN, DON**

CHIEF HUMAN RESOURCE OFFICER



Mr Ngoh Peng Guan is Head of Risk & Sustainability and concurrently, Head of Bus Support. He has been with SBS Transit for close to 30 years and amassed extensive experience in the bus industry including Service Performance, System Development, Operations Development and Depot Operations.

He holds a Bachelor of Engineering (Hons) from Nanyang Technological University, a Master of Science in Transportation Systems and Management from National University of Singapore and a Master of Business Administration from University of Southern Queensland. He also completed a programme in Public Transportation Service and Operations Planning at the Massachusetts Institute of Technology (USA) and is a Chartered Member of The Chartered Institute of Logistics and Transport.

### **NGOH PENG GUAN**

HEAD RISK & SUSTAINABILITY &  
HEAD BUS SUPPORT



Mr Loh Teng Joo is the Head of Information Technology (IT) where he is responsible for digital and information technology to deliver strategic and operational objectives that encompass safety, resilience and value to customers. His portfolio includes corporate, applications, infrastructure, cybersecurity and data analytics services.

Prior to joining SBS Transit, he was with ComfortDelGro Limited driving its digital transformation and leading the data analytics team.

With over 20 years of experience in IT and digital transformation, he is a seasoned executive who has overseen green-field initiatives with various corporations in diverse industries, including eCommerce, logistics, healthcare, and aviation. Mr Loh holds a Bachelor of Engineering (Electrical Engineering) from National University of Singapore.

### **LOH TENG JOO**

HEAD INFORMATION  
TECHNOLOGY



# KEY MANAGEMENT

## CORPORATE

Ms Tan I-Lin, Tammy was appointed ComfortDelGro Corporation's Group Corporate Affairs Officer on 1 January 2023. Prior to her new appointment, she was Group Chief Branding and Communications Officer. She is responsible for the Group's branding, risk and sustainability, as well as corporate communications functions, including promoting the Group's image and reputation, crises management, liaising with the media community, as well as coordinating requests for sponsorships and donations. Ms Tan is the Spokesman for the ComfortDelGro Group.

She started her career with Singapore Press Holdings in 1995 and held several positions in The Straits Times, including Deputy Money Editor and Deputy News Editor.

Ms Tan holds a Bachelor of Social Sciences (Hons) from the National University of Singapore.

### **TAN I-LIN, TAMMY**

COMFORTDELGRO GROUP  
GROUP CORPORATE AFFAIRS OFFICER



Mr Au Cheen Kuan joined SBS Transit on 1 October 2021 as General Counsel and was appointed Company Secretary on 28 April 2022 where he provides legal and corporate secretarial support. He was formerly Group Legal Counsel of a drilling services contractor. He holds a Bachelor of Laws from the University of Nottingham, UK and was admitted to the Singapore Bar.

### **AU CHEEN KUAN**

GENERAL COUNSEL &  
COMPANY SECRETARY



Mr Chong Yew Fui, Adrian is Group Chief Internal Audit Officer of ComfortDelGro Corporation Limited. He is responsible for the internal audit functions of the Group, including SBS Transit. Prior to joining the Group in 2017, Mr Chong served several operational roles heading the Procurement, Commercial and Contracts Functions in Hyflux Ltd. He has considerable experience in the audit profession in listed companies such as ECS Holdings Ltd and Solelectron Corporation.

Mr Chong holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University. He is a member of CPA Australia and is a Certified Information Systems Auditor. Mr Chong is also an ISACA Member.

### **CHONG YEW FUI, ADRIAN**

COMFORTDELGRO GROUP  
GROUP CHIEF INTERNAL AUDIT OFFICER



Ms Angeline Joyce Lee joined ComfortDelGro Corporation in September 2020 as Group General Counsel and Company Secretary to oversee the Group's legal and corporate secretariat matters, as well as compliance and corporate governance to facilitate business processes and organisational efficiency. Ms Lee holds a Master in Business Law from the University of Westminster in the United Kingdom and is a Chartered Secretary and Certified Risk-based Auditor.

### **ANGELINE JOYCE LEE**

COMFORTDELGRO GROUP  
GROUP GENERAL COUNSEL &  
COMPANY SECRETARY



Mr Christopher White is Head of Group Investor Relations for ComfortDelGro Corporation. He serves as the Group's as well as SBS Transit's liaison to the investor community including investment analysts and investors worldwide. Mr White holds a Bachelor of Business Studies (Hons) from the University of Liverpool, United Kingdom, and is a Fellow of the Association of Chartered Certified Accountants.

### **CHRISTOPHER DAVID WHITE**

COMFORTDELGRO GROUP  
HEAD GROUP INVESTOR RELATIONS



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**BOB TAN BENG HAI**  
CHAIRMAN

**CHENG SIAK KIAN**  
DEPUTY CHAIRMAN  
(Appointed on 28 April 2022)

**YANG BAN SENG**  
DEPUTY CHAIRMAN  
(Retired on 28 April 2022)

**JEFFREY SIM VEE MING**  
GROUP CHIEF EXECUTIVE OFFICER  
(Appointed on 1 January 2023)

**LIM TIEN HOCK** (Appointed on 28 April 2022)  
**DESMOND CHOO PEY CHING**  
**CHUA MUI HOONG**  
**SUSAN KONG YIM PUI**  
**LEE SOK KOON**  
**LIM SEH CHUN**  
**TAN KIM SIEW**  
**YU CHING MAN**

## AUDIT AND RISK COMMITTEE

**LEE SOK KOON**  
CHAIRPERSON

**CHENG SIAK KIAN** (Appointed on 1 January 2023)  
**DESMOND CHOO PEY CHING**  
**CHUA MUI HOONG**  
**SUSAN KONG YIM PUI** (Appointed on 28 April 2022)  
**TAN KIM SIEW**  
**YANG BAN SENG** (Retired on 28 April 2022)

## NOMINATING AND REMUNERATION COMMITTEE

**BOB TAN BENG HAI**  
CHAIRMAN  
(Appointed on 1 January 2023)

**SUSAN KONG YIM PUI**  
CHAIRPERSON  
(Stepped down as Chairman of the NRC and remains as a member of the NRC on 1 January 2023)

**CHENG SIAK KIAN** (Appointed on 1 January 2023)  
**DESMOND CHOO PEY CHING**  
**SUSAN KONG YIM PUI** (Remains as a member on 1 January 2023)  
**LIM SEH CHUN**  
**TAN KIM SIEW**

## SERVICE QUALITY COMMITTEE

**YU CHING MAN**  
CHAIRMAN

**CHENG SIAK KIAN** (Stepped down on 1 January 2023)  
**CHUA MUI HOONG**  
**LEE SOK KOON**  
**LIM TIEN HOCK** (Appointed on 28 April 2022)  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**TAN KIM SIEW**

## SBST TENDERS AND INVESTMENTS COMMITTEE

(formerly known as  
SBST Tenders Committee)

**BOB TAN BENG HAI**  
CHAIRMAN

**CHENG SIAK KIAN**  
**SUSAN KONG YIM PUI**  
**LEE SOK KOON**  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**YANG BAN SENG** (Retired on 28 April 2022)  
**YU CHING MAN**

## SUSTAINABILITY COMMITTEE

**LIM SEH CHUN**  
CHAIRMAN

**CHENG SIAK KIAN** (Stepped down on 1 January 2023)  
**DESMOND CHOO PEY CHING**  
**LIM TIEN HOCK** (Appointed on 28 April 2022)  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**BOB TAN BENG HAI**  
**YU CHING MAN**

## CORPORATE DIRECTORY

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Company Registration Number:  
199206653M

**COMPANY SECRETARIES**  
Angeline Joyce Lee Siang Pohr and  
Au Cheen Kuan

**SHARE REGISTRAR**  
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77 Robinson Road #06-03  
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**AUDITORS**  
Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
6 Shenton Way,  
QUE Downtown 2  
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Partner-in-Charge:  
Yang Chi Chih

Date of Appointment:  
29 April 2021



# OPERATIONS REVIEW

**\$1,465**

REVENUE  
(\$'MILLION)

**218**

TOTAL BUS ROUTES  
OPERATED

**78**

TOTAL STATIONS  
IN OPERATION

**9,934**

TOTAL NUMBER OF  
EMPLOYEES

**3,562**

TOTAL BUS FLEET

**192**

TOTAL TRAIN FLEET



## SINGAPORE

### PUBLIC TRANSPORT SERVICES

BASIC BUS SERVICES • EXPRESS BUS SERVICES  
CITY DIRECT BUS SERVICES • NORTH EAST LINE  
DOWNTOWN LINE • SENGKANG LIGHT RAIL TRANSIT  
PUNGGOL LIGHT RAIL TRANSIT

### BUS SERVICES

#### BUS CONTRACTS

We entered into our sixth year of operations under the Bus Contracting Model (BCM) in 2022. Under this model, the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses. Bus operators are contracted and paid to operate public bus services through a competitive tendering process.

Since 2018, we have been operating two tendered contracts for a five-year term each. For the Seletar Bus Package, the Land Transport Authority (LTA) exercised its option in 2022 to extend the contract by another two years to March 2025. On the other hand, the Bukit Merah Bus Package, which will end in April 2024, has been put up for competitive tendering again.

Concurrently, we have also been operating seven bus packages under negotiated contracts where SBS Transit is the incumbent operator. Of these, six have had their contracts extended in the past two years while the Jurong West Bus Package, which will end in August 2024, has also been put up for competitive tendering.

For the Bukit Merah and Jurong West Bus Packages, the LTA has called for a cluster tender in November 2022 to enable the successful operator to tap on the synergy of the 43 service routes and reap cost efficiencies.

In 2022, we operated nine bus packages covering 218 bus routes, and averaged 30,245 bus trips a day. With a market share of 62%, we remained as Singapore's biggest public bus operator, operating from 15 bus terminals and 18 bus interchanges. This was one more than in 2021 with the opening of the Tampines North Bus Interchange in November 2022.



## BUS OPERATIONS

With the LTA as the central planner of bus routes, we rolled out a short trip bus service - Service 139A - that operated during weekday evening peak periods from the Toa Payoh Bus Interchange to the nearby neighbourhoods in Balestier and Jalan Bahagia. We also amended 24 existing bus routes to better serve passengers' travel needs. The routes of another three bus services - Services 18, 129 and 298 - were also amended to operate from the new Tampines North Bus Interchange.

With the lifting of most of the COVID-19 restrictions and the re-opening of the Singapore-Malaysia

land borders, we resumed full operations of our two cross-border bus services - Services 160 and 170/170X - into Johor Bahru in May 2022. A month later, Service 401, which served passengers heading to the East Coast Park, also resumed operations. Due to low demand and to optimise finite bus resources, four variant bus services - 74e, 151e, 131M and 139M - and eight non-basic bus services - Chinatown Direct Services, CT8 and CT18 and Nite Owl Services, 1N, 2N, 3N, 4N, 5N and 6N - were withdrawn from service.

From late April 2022, we resumed the extension of operational hours of selected bus routes on the eve

of public holidays and major events, such as the Formula One Singapore Grand Prix 2022, to cater to increased passenger demand for late night services.

Meanwhile, a special bus service, Service 405, continued to operate as usual on festive occasions to make it more convenient for families visiting the Choa Chu Kang Cemeteries and Columbarium to pay respects to their departed loved ones.

During road closures to facilitate races and events, we conducted 22 temporary route diversions to ensure that affected bus services continued to operate reliably. Additionally, we

**WITH A MARKET SHARE OF 62%, WE REMAINED AS SINGAPORE'S BIGGEST PUBLIC BUS OPERATOR, OPERATING FROM 15 BUS TERMINALS AND 18 BUS INTERCHANGES.**



# OPERATIONS REVIEW

conducted ad hoc route diversions in situations when the roads were rendered impassable such as during floods and accidents to minimise inconvenience to passengers.

In performance, we met all the standards stipulated by the LTA in the maintenance of buses, bus interchanges and depots, the Common Fleet Management and the Bus Ticketing systems. We also passed the standards for operated mileage while our accident rate was kept below the tolerance level.

## BUS FLEET

In 2022, our bus fleet comprised 3,562 buses, which increased by 14 more compared to 2021. Fully air-conditioned and wheelchair-accessible, about 43% of them were double deck buses, close to 57% were single decks, and the remaining 10 were articulated ones, which are commonly known as bendy buses. Nine in 10 buses were rated Euro 5 and above which minimised environmental pollution. We also operated 56 green buses comprising 31 fully electric and 25 diesel-hybrid ones.

As more green buses come on stream, our bus technicians continued to attend training programmes to be equipped in handling high voltage vehicles safely. In November 2022, 46 of our technical staff were the first in the industry to be certified under the National Electric Vehicle Specialist Safety (NESS) course that was launched just two months before. This course equips individuals with skills to maintain and service electric and diesel hybrid vehicles safely. Prior to this, they attained the Certificate of Competency at the Expert level in a course that we had jointly developed with the ITE College West on handling high voltage buses. The rest of our 480 technicians continued to be put through the basic module of this course to provide them with some basic knowledge of working with these systems.

## BUS AND WORKPLACE SAFETY

As at 31 December 2022, we clocked 0.1 accident cases per 100,000 bus-km on the road, which was similar to the rate of 2021.

As safety is paramount in our operations, we continued to invest in training, systems and technology to help our Bus Captains (BCs) become safer drivers.

To reduce blind-spot related accidents, we trialled the use of a 360-degree 3D Surround View camera system to assess its effectiveness in increasing our BCs' visual awareness of their surroundings when manoeuvring tight spaces or making turns at low speeds at junctions and within bus parks and depots. Conducted with just two buses over a six-week period for a preliminary test, the trial has since been expanded to include more buses across various bus routes.

To avoid incidents of runaway buses, we installed a device, on a trial basis, in the BC's cabin that emits an audio alert if the BC leaves his seat without engaging the handbrake. The trial, conducted in 2022, was a success and the device will be progressively installed fleet-wide in 2023.

Besides employing technology and systems, we instituted safety







protocols, policies and procedures to shape our BCs' driving behaviour. Integral to this, we conducted regular briefings, training sessions, refresher courses, and webinars to constantly remind our BCs about the importance of safe driving practices. We emphasised in particular the need to wait for elderly passengers to be seated before moving off from bus stops and to observe junction drills diligently. In addition, we conducted random enforcement checks to ensure compliance.

In our efforts to deliver safe rides for our passengers, we rolled out a "No-Falls-On-Board" safety campaign in October 2022 at the Tampines Bus Interchange. It involved grassroots leaders who joined us in spreading three key safety messages of holding onto handrails while on board, remaining seated until the bus comes to a complete stop, and encouraging those who are elderly, pregnant, or have mobility challenges to stay on the lower deck of the bus. Following

the launch, safety roadshows were held at the Clementi and Toa Payoh Bus Interchanges. They will continue to be organised monthly at the various bus interchanges in 2023.

Committed to providing a safe work environment for our staff, we conducted five safety time-out sessions during the year under review. During these sessions, management and supervisory staff conducted walkabouts and held engagement sessions to encourage staff to surface safety concerns and report safety risks and near-misses at their work premises. To ensure workplace safety measures were up-to-date, risk assessments and safe work procedures were reviewed. Concurrently, stepped-up inspection checks on hazard identification and risk controls were carried out.

Our Workplace Safety and Health (WSH) advocates were also sent for training to equip them with greater awareness and knowledge of good

WSH practices. This empowered them to carry out their responsibilities with clarity and confidence among their peers. A daily inspection checklist was also introduced in May 2022 to guide them in identifying safety hazards to prevent slips, trips and falls at the workplace.

#### **PHYSICAL SECURITY**

We also did not take for granted the security of our passengers, employees and the premises we managed. For this reason, we conducted 1,435 Red Teaming exercises to test the alertness of our staff and validate their responses in detecting and handling security threats. We also participated in an external security audit with no major non-compliance to procedures observed.

As security threats evolved, we continued to explore and trial new technological solutions. A video analytics system was put on trial at the entry and exit points of the Ang Mo Kio Bus Depot to detect the presence

# OPERATIONS REVIEW

of unauthorised persons, bicycles or vehicles. Following its successful trial, the system was fully implemented at the depot as well as at the Bedok North Bus Depot. Serving as an additional security measure, it will be extended to the Hougang and Bukit Batok Bus Depots in 2023.

Meanwhile, we completed the installation of a Closed-Circuit Television (CCTV) system with video analytics features at selected bus interchanges, terminals and depots. With this system, video footage can be live streamed to the Soon Lee and Ang Mo Kio Bus Operations Control Centres (OCCs) to enable the staff on duty to better assess and take appropriate actions when an intrusion or an incident is detected.

Another project to enable the streaming of CCTV footage on-demand from our buses to the OCCs for enhanced security and

better incident management and control, was also completed.

Our committed efforts to safety and security were recognised by the LTA at its Public Transport Safety and Security Awards Day. In the Operational and Workplace Safety (Bus Operator) category, our Bedok Bus Package clinched the Excellence Award, and the Jurong West Bus Package the Merit Award. Two of our BCs were also recognised with the Safe Driver Award (Merit) under the Public Bus Fleet category at the Singapore Road Safety Awards 2022.

## CONTINUING WITH DIGITALISATION JOURNEY

We also invested resources to enhance the effectiveness and efficiency of our operations. Using data analytics, we were able to identify areas that required attention and took targeted actions to correct

them. As a result, improvements were made in reducing fuel consumption, improving air quality, improving the punctuality of the first-last bus arrivals and in enhancing our passengers' experience. We also created a dashboard for data visualisation to track the works-in-progress.

Significantly, we embarked on the development and implementation of a Bus Enterprise Asset Management System (BEAMS) to boost efficiency as it integrates and automates the management of various processes in areas such as maintenance, material, asset, contracts, warranty and campaigns on a single cloud platform. Functional modules that were ready were rolled out to the various bus engineering workshops during the year in review with the project slated for full completion by mid-2023.

We made it accessible and easy for our passengers to report faults that







**IN THE OPERATIONAL AND WORKPLACE SAFETY (BUS OPERATOR) CATEGORY, OUR BEDOK BUS PACKAGE CLINCHED THE EXCELLENCE AWARD, AND THE JURONG WEST BUS PACKAGE THE MERIT AWARD.**



they noticed on our buses and at our bus interchanges. Using Quick Response (QR) codes that were widely displayed in all our 18 bus interchanges and on more than 3,000 buses, passengers could snap photographs of the issue and send them to us for prompt handling.

**RECRUITMENT OF BUS CAPTAINS**

As bus schedules were adjusted to cater to increased ridership, the need for more BCs intensified. The tight labour market also added to the challenge. To make the profession more attractive, we revised our salary package to be the most competitive in the industry and also highlighted our progressive wage model with alternative career progression paths mapped out for operations and management positions. We introduced four-day and five-day work weeks, in addition to our existing part-time scheme, to offer options to suit different work-life preferences of local applicants. We also extended the sign-on bonus of \$6,000 throughout

2022. Singaporeans and Permanent Residents with heavy vehicle driving experience were also offered higher starting salaries. Walk-in interviews were held at a depot while we participated in career fairs with e2i, MINDEF and the Ministry of Home Affairs. As at 31 December 2022, we had 5,839 BCs of whom 733 were new hires.

**CONTINGENCY PLANNING**

In business continuity, we conducted four disruption exercises at the Seletar and Soon Lee Bus Depots, the Braddell Bus Park, and the Buona Vista Terminal. These were to review and validate the relevance of our drawer plans where our bus services could continue to operate with minimal inconvenience to our passengers. Concurrently, these were also aimed at familiarising our employees with the established protocols and procedures to enable them to respond promptly and decisively in a crisis.

# OPERATIONS REVIEW



## RAIL SERVICES

For the year under review, SBS Transit operated a total of 78 stations, comprising 16 MRT stations on the North East Line (NEL), 34 MRT stations on the Downtown Line (DTL), and 28 Light Rail Transit (LRT) stations on the Sengkang-Punggol LRT (SPLRT) systems. All our stations on our rail networks were opened for passenger service except for Teck Lee on the Punggol LRT system, which will open in tandem with developments in the area. With a combined rail network spanning 83km, we maintained a market share of 30.6%.

With the lifting of most COVID-19 pandemic measures, and the resumption of regular activities, demand for our rail services increased by 33% with a total of 360.7 million passenger trips made in 2022. Average daily ridership on the NEL grew by 30.4% to 486,344 passenger trips. Average daily demand on the 42-km long DTL also increased by 39.1% to 366,181 passenger trips while the SPLRT recorded a 26.6% increase to 135,675 passenger trips. Despite the increases, total ridership was 18.9% lower than the pre-COVID-19 levels of 2019.

## RAIL RELIABILITY

In Mean Kilometre Between Failure (MKBF), which is the internationally used measure for railway reliability, the DTL clocked 4.05 million train-km and, for the second consecutive year, remained the most reliable MRT line not only in Singapore but also globally. The NEL clocked 2.06 million train-km while a 28.4% improvement was achieved on the SPLRT with an MKBF of 438,000 train-km compared to the previous year's 341,000 train-km.

## MAINTENANCE FOR SERVICE RELIABILITY

To further enhance the reliability of our rail services, we installed a condition monitoring system for the point machines at our NEL Punggol and HarbourFront Stations to preempt and rectify faults before they can cause serious disruption to train services. The point machines enable trains to switch tracks or change directions. We are progressively rolling out this system to more stations along the NEL.

For the SPLRT, works on the finger-joints of certain sections of the viaduct were conducted on weekends from 21 May to 25 September 2022. This was part of preventive

maintenance to ensure the continued reliability of LRT services. As their repair works involved the hacking and curing of concrete, works were carried out in the day during passenger service hours with one loop in operation so as to minimise inconvenience to passengers and residents alike.

Significant progress was made in the mid-life refurbishment works of our first generation NEL trains. To-date, three refurbished trains have been deployed, featuring new condition monitoring systems, upgraded features to improve the recovery of stalled trains and newly renovated interiors with new seats, grab bars, flooring and a new air-conditioning system. The remaining 22 trains are expected to be refurbished by the first quarter of 2026.

We also started the refurbishment of eight locomotives in our NEL Depot which have been in operation for over 18 years. These locomotives play an important role in our maintenance works and provide propulsion for the movement of trains within the depot as well as other maintenance vehicles. We have completed refurbishment of four locomotives where their



## TO ENCOURAGE THE USE OF PUBLIC TRANSPORT, WE SIGNED SEVERAL MEMORANDA OF UNDERSTANDING TO HARNESS NEW AND INNOVATIVE TECHNOLOGIES TO ELEVATE THE COMMUTING EXPERIENCE OF OUR PASSENGERS.

mechanical and electrical parts were overhauled, and the cabin updated with a fresh look. The remaining four locomotives are scheduled for completion by end 2023.

We took a proactive approach by signing a 10-year service support agreement with Alstom, the manufacturer of our NEL rolling stock, to maintain and repair our signalling system. This included the repairs of faulty signalling components and replacement of obsolete component parts to ensure our trains can continue to operate reliably.

Besides maintenance works, we also explored innovative solutions to handle the recovery of stalled trains on the NEL in a more expeditious manner. This resulted in the implementation of a Bypass Switch solution which earned us the Merit Award in the “Best Land Transport Operations and Maintenance Initiatives” category at the biennial Land Transport Excellence Awards 2022.

### KEY PARTNERSHIPS

In our continuous efforts to develop a steady pipeline of trained technicians and engineers for our

rail systems, SBS Transit partnered with the Institute of Technical Education (ITE) to launch a Work-Study Diploma programme in Land Transport Engineering. The programme provides an opportunity for NITEC or higher NITEC graduates to obtain on-the-job training at our rail workshop as part of their two-and-a-half-year diploma course. We sponsored seven ITE graduates where they are paid salaries that commensurate with their ITE qualifications while they divide their time between their studies and work at our Rolling Stock and Signalling division. Upon graduation, they can be offered permanent employment with SBS Transit, if found suitable.

To encourage the use of public transport, we signed several Memoranda of Understanding (MOUs) to harness new and innovative technologies to elevate the commuting experience of our passengers.

Employing 3D mapping technology, we partnered VIZZIO Technologies to facilitate passenger navigation through a mobile application that displays a virtual station with

directional guides. Additionally, with Internet-of-Things sensors and CCTV cameras installed at the station, our staff can conduct virtual patrols of the station and detect security threats such as unattended bags or unauthorised access into restricted areas. We plan to trial this technology at the DTL Cashew Station in 2023.

With Siemens Mobility, we are in a partnership to develop an Artificial Intelligence-based solution known as Controlguide® Airo to optimise train deployment on the DTL. It is being designed to analyse crowd levels on trains and at stations, as well as passengers’ average waiting times at train platforms. With this data, it will adjust train schedules to cater better to passenger demand. If successful, this solution will be the first of its kind to be implemented in Asia Pacific.

Our collaborative project with Huawei is focussed on smart glasses for remote assistance when our staff are faced with emergencies or technical faults that may require additional support. With the pair of smart spectacles, they will be able to



# OPERATIONS REVIEW



communicate with, and be guided by operations and engineering experts who will have a first-person view of the situation. This remote assistance concept and technology would not only enable responsive and precise diagnosis, it will also enhance the sense-making and decision-making abilities in time-critical events. This means that train services can be up and running more quickly in the event of a service disruption.

As a sustainable rail operator, we are also keen on adopting green practices in our railway maintenance. With our industry partners, we are exploring a data-driven approach that enables targeted maintenance of trains or replacement of component parts to be based on an actual need. This involves installing real-time condition monitoring systems in the trains and tracks on the NEL, to generate data that pin points irregularities in critical train and track components such as the braking system and point machines. As a result, faulty components can be detected before they result in serious system failures and subsequently unplanned downtime of the train. In addition, this allows us to progress from current time or mileage-based maintenance to condition-based maintenance, that will optimise

productivity and ensure a more sustainable use of resources.

To raise productivity and leverage new technology, we also inked an MOU with the National University of Singapore to collaborate on Enterprise Transformation Projects for the public transport industry. This three-year long partnership was the first-of-its-kind for the industry where we took the lead in tapping on the expertise of NUS' faculty members to serve as project mentors while the projects to be decided will receive funding under the SkillsFuture Singapore's (SSG) Enterprise Transformation Project grant. These projects, to be designed with technologies such as data analytics, robotics and 5G applications, are aimed at boosting safety and service reliability, optimising operational processes, improving manpower efficiency and productivity and enhancing customer experience.

## STAFF TRAINING AND DEVELOPMENT

We continued to invest in our employees by providing training to enhance their competency. This was reflected in our establishment of our Rail Training Institute in December 2022, which provides rail operations staff with access to bite-sized courses

and just-in-time training for almost immediate application. Leveraging on innovative technology such as Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality, staff can learn on the go instead of having to attend physical sessions. They can also access training materials during off-peak hours to minimise impact on operations.

Besides technical skills, we remained committed to developing key soft skills in our employees. In line with this, we signed a three-year long MOU with NTUC LearningHub to develop and deliver critical core skills programmes for land transport workers under the SkillsFuture Singapore's Skills Framework. Some of the skills covered in this framework include "Thinking Critically", "Interacting with Others" and "Staying Relevant".

## WORKPLACE SAFETY AND SECURITY

In 2022, there were four reported accidents with light injuries involving our staff and contractors, which was a drop of 33% compared to the previous year. Slips, trips and falls remained the main causes of these accidents and we intensified our efforts to raise safety awareness and emphasised the importance of following standard operating procedures through safety bulletins, advisories and toolbox

briefings to keep accidents at bay. With safety as our key priority, we embraced a Just Culture and encouraged our staff to surface safety issues to improve safety standards at the workplace.

Six staff who promoted safety and security at the workplace through their actions were lauded at the LTA's inaugural Public Transport Safety and Security Awards Day with Special Commendation and Star Awards. Notably, two DTL Rolling Stock Engineers were recognised for enhancing the design of the door safety barrier that is used during train door maintenance. They improved the design to eliminate the possibility of their workshop colleagues falling out of the opened door during maintenance work. This improved design is now in use at our workshops.

#### **CYBERSECURITY**

We also shored up our cybersecurity defence in our networked economy. We continued to review and strengthen our cybersecurity processes and control measures to safeguard our information and assets. In compliance with the requirements of the Cybersecurity Act and the Cybersecurity Code of Practice for Critical Information Infrastructure (CII), we delinked our rail operational technology system from the corporate network and conducted an annual Business Continuity Plan exercise involving cyberthreats, among other measures.

Besides being educated on the risk of ransomware threats, staff had to attend an annual mandatory refresher training on cybersecurity awareness. To ensure that training was effective, three phishing exercises involving staff with

corporate network access were conducted in 2022.

#### **CONTINGENCY PLANNING**

Regular training sessions and exercises continued to be conducted to review and validate our emergency response and preparedness plans.

For train service disruption, three exercises were organised - "Exercise Harmony" was held at the NEL Dhoby Ghaut Station in August, "Exercise Endeavour" at the DTL Bendeemer and MacPherson stations in November and "Exercise Pinnacle" at the Sengkang LRT in December 2022.

We also conducted "Exercise Highwaters" to validate our processes in setting up flood barriers at the entrances of our MRT stations. A total of six such exercises were conducted.

Joint exercises were also organised in partnership with various agencies. Two security screening exercises involving passengers were jointly organised with the LTA at the DTL Bugis Station in June and at the NEL and DTL Chinatown Station in December 2022. These exercises enhanced the vigilance of our staff in detecting potential security threats and helped to strengthen the resilience of our security measures.

We also participated in simulated fire incidents in "Exercise High Flame" with the Singapore Civil Defence Force. In 2022, we conducted seven such exercises across our stations to review our staff response to fire and emergency situations.

#### **RE-ORGANISATION FOR AGILITY AND EFFICIENCY**

In 2022, we continued to restructure our rail operations to streamline

processes for increased productivity and effectiveness. A Component Service Centre was established under the Rail Engineering and Performance (REP) division to centralise our rolling stock component servicing capabilities. With a dedicated maintenance team cross-supporting various rolling stock component overhaul requirements, this new centre enables us to reap productivity savings and to scale up more efficiently to support our rolling stock fleet and cater for future needs.

A Rail Operations Support division was also set up to centrally manage rail corporate support departments and this included the Rail Standards and Compliance department whose responsibilities are to align policies and processes across rail operations and engineering.

#### **SHARING KNOWLEDGE AND EXPERTISE**

With the wealth of knowledge and experience that we have amassed in our rail operations and maintenance, we took a milestone step forward to offer rail consultancy services with the setting up of SBS Transit Mobility Pte Ltd. Through this entity, we collaborated with renowned international rail partners to share best practices and experiences, which have served to further enhance our rail expertise and strengthened our capabilities when tendering to operate new rail lines. We have successfully completed a consultancy project for a world-class international airport group, while two projects are ongoing for two leading technology solutions providers. SBS Transit Mobility also supported our parent company, ComfortDelGro, in its bids and mobilisation plans for rail projects in Australia, Scandinavia and France.

**WITH SAFETY AS OUR KEY PRIORITY, WE EMBRACED A JUST CULTURE AND ENCOURAGED OUR STAFF TO SURFACE SAFETY ISSUES TO IMPROVE SAFETY STANDARDS AT THE WORKPLACE.**



# OPERATIONS REVIEW

## SERVING OUR PASSENGERS

### TRAVEL WITH CONFIDENCE

We continued to work on the escalator safety campaign to contribute to pleasant journeys especially for our elderly passengers. We added another Chinese dialect, Teochew, to our public announcement safety messages which already featured Hokkien and Cantonese dialects besides English and Mandarin. The announcements in dialects were used in MRT stations in the heartlands with a high concentration of elderly passengers.

We firmly believe that public transport is for everyone, including persons with disabilities (PWDs). For this reason, we continued to engage Social Service Agencies to gain better insights into their needs and challenges of PWDs taking public transport. This has led to the creation of our signature “Travel with Confidence” programme.

Under this programme, we rolled out a wayfinding initiative for passengers living with dementia. In collaboration with Dementia Singapore, we introduced “Find Your Way” to help persons with dementia navigate our transport hubs safely. Colour-coded nostalgic murals of yesteryears and directional floor stickers were introduced to guide the way to boarding berths and station exits.

“Find Your Way”, which promotes self-help and independence, has been implemented at the Toa Payoh Bus Interchange and Chinatown Station with another three bus interchanges and four MRT stations to go by mid-2023.

Complementing this initiative are the Go-to Points (GTPs) which are part of the Dementia-Friendly Singapore initiative. All our 50 MRT stations and 24 bus interchanges and terminals have been certified by the Agency for Integrated Care as GTPs and close to 750 staff attended specialised training to help persons with dementia. Serving as safe return points, these GTPs offer assistance to persons with dementia who have lost their way to be reunited with their loved ones.

Another major initiative known as “Travel Buddy” was also launched to help persons with disabilities travel with confidence on our public transport system. Trained staff accompany PWDs on their journeys from point-to-point where practical tips and what to look out for when getting to their destinations are provided. In the pilot, the initiative was focussed on passengers-in-wheelchairs (PIWs) and will be extended to other disability groups over time.

At the NEL Outram Park Station, we introduced a device known as a “Stair Climber” to enable PIWs to get between the two levels of the station

when the lift is unavailable. This was to minimise inconvenience for PIWs in getting to the adjoining Singapore General Hospital for their medical appointments. More Stair Climbers will be deployed to other MRT stations if there is demand for it.

For students with special needs, we conducted familiarisation tours for about 150 students from Metta School to equip them to travel safely and independently on public buses.

### VOICE OF OUR PASSENGERS

For the year under review, passengers continued to appreciate our efforts, with a total of 41,936 compliments and commendations received. This was an increase of 16.8% or 6,018 compared to 2021. We also saw opportunities to improve from the valid complaints given, which increased by 1.2% to 4,418. Overall, we achieved 42.4 compliments and commendations and 4.5 valid complaints per million passenger trips.

### PASSENGER SATISFACTION

In the Public Transport Council’s annual commuter satisfaction survey that was conducted from September to October 2022, we received a satisfaction rating of 93.8% compared to the industry’s 92.7%. Our rail overall satisfaction score was 8.2, compared to the industry’s average of 8.0, while our bus operations scored 7.7, which was on par with the industry’s average.

In the Customer Satisfaction Index of Singapore that was administered by the Singapore Management University’s Institute of Service Excellence, we topped the list in both the Public Bus and MRT system sub-sectors. Our rail scored 76.3 compared to the industry’s 74.2 while our bus achieved 74.7 - a tad higher than the industry’s 74.5.





.....

# \$50.3

REVENUE  
(\$'MILLION)

.....

# 58

TOTAL NUMBER OF  
EMPLOYEES

.....



# SINGAPORE

## OTHER COMMERCIAL SERVICES

BUS ADVERTISING • IN-TRAIN ADVERTISING  
BUS HUB ADVERTISING • TRAIN STATION ADVERTISING  
SHOP SPACE • ROAD SHOW SPACE

### ADVERTISING

With the easing of COVID-19 restrictions, advertisers resumed their advertising and marketing campaigns on our public transport network to re-capture the mindshare of consumers.

Moove Media, our sister company, continued to innovate to introduce exciting and entertaining concepts to capture the attention of passengers to generate top-of-mind awareness for our advertisers.

A major holistic campaign was rolled out for Taiwan Tourism to welcome visitors back to the country with the re-opening of its borders. The North East Line (NEL) Dhoby Ghaut Station was transformed with picturesque scenes of Taiwan wrapped around the pillars and on the 40-metre long high-definition "Great Wall". Employing Augmented Reality

technology, it also featured an interactive photo-taking installation which thrilled passengers as they could snap photographs against their preferred scenic locations. Visuals of iconic attractions were put up in concept trains while three-dimensional lanterns and bears were installed on top of buses as part of the eye-catching advertising campaign.

Moove Media also took an innovative approach to enable advertisers to undertake product sampling in an easy and efficient manner. It set up vending machines where passengers could redeem the product by scanning a QR code. One such product was Solar Power's all-natural energy drink which were placed in vending machines at two popular bus interchanges - Ang Mo Kio and Bedok.

Meanwhile, the hugely popular 40-metre long "Great Wall" continued to attract advertisers with its unparalleled ability to capture the attention of passengers by offering an immersive experience at the NEL Dhoby Ghaut Station. Amazon Prime was one of the advertisers who seized the opportunity and booked a full week of its entire airtime to introduce The Lord of the Rings series, "The Rings of Power".

Encouraged by the popularity of large format digital screens that were launched at selected MRT stations the previous year, Moove Media introduced another six screens during the year under review. The new additions were installed at some of our busiest stations and bus interchanges including the Ang Mo Kio, Boon Lay and Bedok Bus Interchanges and the Bugis and HarbourFront MRT Stations. Together with a single content

# OPERATIONS REVIEW

management system, advertisements can now be effortlessly uploaded across the various screens. It also offers advertisers the option of adopting a dynamic media schedule to reach out to their target audience more effectively.

For major festivals such as Christmas and Deepavali, the team continued to collaborate with the LTA to roll out themed trains and buses as well as decorate bus interchanges and MRT stations with festive themes and motifs. This is aimed at contributing to making journeys exciting for commuters.

## RENTAL OF COMMERCIAL SPACES

In 2022, we leased close to 99.6% of our commercial spaces in our bus interchanges and train stations. Our tenants comprised mainly food and beverage outlets, retail and convenience stores as well as those offering medical, education and beauty and wellness services.

Besides these services, EZ-Link vending machines were installed at selected bus interchanges for commuters to conveniently purchase their favourite character-themed EZ-Link cards, charms and wearables for use on the public transport system.

A foreign currency exchange machine known as FX Buddy also took up a spot at the NEL Chinatown Station which is frequented by both residents and tourists alike. FX Buddy offers added convenience for commuters given its location and accessibility.

With companies adopting flexible work arrangements, we collaborated with SWITCH in July 2022 to offer convenient and professional workspaces in two MRT stations - DT9 Botanic Gardens and DT22 Jalan Besar - for executives on the go.

To support our tenants, we organised promotional activities to help boost sales at their outlets. These included a campaign where commuters could redeem limited edition mugs when they spent a minimum sum at our tenants' premises. For Christmas, we also engaged mascots to meet and greet commuters who patronised the shops.

In line with efforts to promote sustainable living, we collaborated with ITE College East to encourage the purposeful habit of reusing plastic bags. We jointly organised a "Less Plastic is Fantastic" roadshow at the NEL Sengkang MRT Station in September 2022 where passengers could drop off or pick up used plastic bags. We even involved our tenants at the integrated transport hub to encourage shoppers to use these plastic bags instead of taking new ones.



# CORPORATE GOVERNANCE

SBS Transit Ltd (“**SBS Transit**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), believes that the building of long-term shareholder value is a fundamental measure of our success, and that this can only be achieved with good corporate governance.

We will continue to:

- Focus unreservedly on our customers;
- Make sound corporate decisions to generate long-term shareholder value rather than for short-term considerations;
- Maintain our lean culture through cost efficiencies to drive value creation without compromising on our service quality;
- Build a sustainable talent pool to address the evolving and complex demands of the industry in this highly competitive market; and
- Commit to sustainability to make our business benefit society and the environment.

## CORPORATE GOVERNANCE STATEMENT

SBS Transit strongly believes that good corporate governance makes sound business sense. To this end, the Group maintains the highest standards of corporate governance, professionalism and integrity as we build an organisation that our shareholders, employees, business partners, the authorities and other stakeholders, including labour unions, can trust and be proud of.

The Group is committed to ensuring the Group’s compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 and amended on 11 January 2023 (the “**Code**”) and has put in place policies, structures and mechanisms to ensure compliance with the relevant legislative and regulatory requirements. The Group has adopted a Code of Business Conduct, which sets out the principles and policies upon which the Group’s businesses are to be conducted, and also implemented a Whistleblowing Policy which provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisal within the limits of the law.

This report sets out the corporate governance practices that were in place during the Financial Year ended 31 December 2022 (“**FY2022**”), with specific references to the Code. For FY2022, we are pleased to report that the Group complied in all material aspects with the Code.

## 1. BOARD MATTERS

The Board of Directors (the “**Board**”) has a duty to protect and enhance the long-term value of the Group and achieve sustainable growth for the Group. It sets the overall strategic direction of the Group and oversees the proper conduct of the business, performance and affairs of the Group. Board members are expected to be aware of their legal responsibilities, act in good faith and exercise independent judgement in the best interests of the Company.

In appointing Directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

#### BOARD’S ROLE AND RESPONSIBILITIES

At the helm of the decision-making process of the Company is an effective Board. The Board is led by the Independent Non-Executive Chairman, Mr Bob Tan Beng Hai (the “**Chairman**”). The Board is collectively responsible and works with Management for the long-term success of the Company by:

- (i) Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- (ii) Ensuring that appropriate and adequate systems of internal controls, risk management processes and financial authority limits are in place to safeguard shareholders’ interests and the Group’s assets, and to achieve an appropriate balance between exposure to risks and the Group’s performance;
- (iii) Challenging Management constructively and reviewing its performance;
- (iv) Identifying the key stakeholder groups and guiding Management in the Group’s strategy and approach in addressing the concerns of these key stakeholder groups, and ensuring transparency and accountability to all stakeholders;



- (v) Instilling an ethical corporate culture and ensuring the Group's values, standards, policies and practices are consistent with the Group's culture; and
- (vi) Considering environmental, social and governance ("ESG") issues as part of its strategy for sustainability.

## 1.1 CONFLICTS OF INTEREST

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Group. In the event that a Director has a conflict of interest, or it appears that he/she may have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Board or send a written notice to the Board and the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter. In the case of any matter where the Chairman is conflicted, such as his remuneration or re-election as a Director, he will similarly recuse himself from participating in the discussion; and the other Directors may elect someone among themselves to preside over the discussion and lead the Directors in decision making.

## 1.2 DIRECTORS' COMPETENCIES, INDUCTION, TRAINING AND DEVELOPMENT

Upon appointment, the Director will be issued an official letter of appointment, which clearly sets out his/her role, duties and responsibilities and the Company's expectations of him/her as a Director of the Company. The new Director will also receive a copy of the Company's Constitution, the Company's current and previous years' annual reports and the corporate structure chart of the Group.

Management will conduct a comprehensive orientation programme for newly appointed Directors, which covers, among other matters, duties as a Director and how to discharge those duties, key aspects of the Group's businesses, including financial and corporate governance policies. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with a copy of the relevant Board Committee's terms of reference.

If the newly appointed Director has no prior experience as a Director of a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), training in relevant areas such as regulatory, finance and legal as well as industry-related areas will be provided. As required under the SGX-ST Listing Rules, a new Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training should be completed within one year of appointment. In this respect, all our new Directors who are required to undergo such training, conscientiously commit their time and effort to complete the training within the first year of appointment.

Directors are encouraged to undergo continual professional development by attending relevant training programmes, seminars and courses organised by the Singapore Institute of Directors ("SID") and other professional bodies to enhance their knowledge and skills and better equip themselves to effectively discharge their duties as Directors of the Company. The fees for the courses are paid for by the Company. The Chairman and the Nominating and Remuneration Committee ("NRC") review each Director's training and professional development needs on a yearly basis.

The Company Secretaries update and brief the Board on corporate governance practices and changes in or updates to the relevant legal and regulatory requirements pertaining to the Group's businesses. External consultants are also engaged to conduct seminars on specific topics as and when necessary. Most recently, the Group engaged an external law firm to conduct a seminar on the Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health (WSH) Duties ("COP") for the Directors and Key Management Personnel of the Group, to help them to better understand their duties and responsibilities under the Workplace Safety and Health Act 2006 and the COP.

In FY2022, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
12 Jan 2022	SID	ACRA-SGX-SID Audit Committee Seminar 2022	Lee Sok Koon Tan Kim Siew
17 Mar 2022	SID	LED 6 – Board Risk Committee Essentials	Lee Sok Koon (attended as panel speaker)
6 May 2022	SGX-GCNS (Global Compact Network Singapore)	SGX-GCNS Workshops on Task Force on Climate Related Financial Disclosures (TCFD) – Sector-Specific: Transportation	Susan Kong Yim Pui
18 May 2022	SID	LED 1 – Listed Entity Director Essentials	Lim Tien Hock
20 May 2022	SID	LED 2 – Board Dynamics	Lim Tien Hock
24 May 2022	SID	LED 3 – Board Performance	Lim Tien Hock
25 May 2022	SID	LED 4 – Stakeholder Engagement	Lim Tien Hock
14 Jul 2022	SID	LED – Environmental, Social and Governance Essentials (Core)	Bob Tan Beng Hai Desmond Choo Pey Ching Susan Kong Yim Pui Lee Sok Koon Lim Tien Hock Yu Ching Man
2 Aug 2022	SID	LED – Environmental, Social and Governance Essentials (Core)	Cheng Siak Kian Lim Seh Chun
8 Nov 2022	SID	LED – Environmental, Social and Governance Essentials (Core)	Chua Mui Hoong Tan Kim Siew

As required under Rule 720(7) of the SGX-ST Listing Rules, all the Directors of the Company underwent a one-time training on sustainability matters in FY2022.

Regular presentations are made by Management to the Board to enable the Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised from time to time to enable the Directors to learn more about the Group's operations. During such visits, the Directors spend time with Management to discuss key strategies and policies pertaining to, not just Company specific operations, but also the Group's businesses in general. Such meetings help the Directors to be better equipped to make informed decisions relating to the future direction of the Group. The Group also holds strategy meetings at least once every two years for the Board to interact with Management and review the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held in November 2021. The Company conducted several visits for Directors at its bus depots, rail depots and MRT stations to provide updates of the latest technology and operational procedures to improve service reliability and customer experience.

### 1.3 RESERVED MATTERS

SBS Transit has adopted clear, established and documented internal guidelines for matters which require the Board's approval. Under these guidelines, Board approval is required with regard to matters such as acquisition of business, disposal of or change in equity interests in existing subsidiary/associate, investment in financial instruments, tender for business above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the financial authority limits, annual budget and capital expenditure and the release of financial results to the SGX-ST via SGXNET. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments also require the approval of the Board.

The Board periodically reviews the adequacy and effectiveness of internal controls, risk management and financial authority limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor compliance with delegated limits.

# CORPORATE GOVERNANCE

## 1.4 DELEGATION BY THE BOARD

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, five (5) Board Committees have been established, namely, the Audit and Risk Committee (“**ARC**”), the Nominating and Remuneration Committee (“**NRC**”), the Service Quality Committee (“**SQC**”), the Sustainability Committee (“**SC**”), the SBST Tenders and Investments Committee (“**TIC**”) (collectively, the “**Board Committees**”). Ad hoc committees are also formed to look at specific issues from time to time.

Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its authority, duties and responsibilities, as well as the regulations and procedures governing the manner in which the Board Committee operates and how decisions are to be taken.

The terms of reference and summary of the activities of the ARC and NRC are described in further detail in the relevant sections below from pages 46 to 58.

The SQC’s terms of reference are to provide strategic directions and review initiatives to enhance the Group’s service quality standards, reliability, customer service and safety. The SQC also reviews customers’ feedback on service quality.

The TIC, formerly known as the SBST Tenders Committee, was established with the terms of reference to oversee the Group’s bus and rail tender

strategies and provide guidance on bid preparations. As the scope of TIC’s terms of reference was expanded in February 2023 to include advising the Company on investments in new initiatives which may include securities, financings and assets to enhance the Company’s performance, the Committee changed its name to TIC to reflect the Committee’s responsibilities more accurately.

The SC assists the Board in fulfilling its corporate governance responsibilities in relation to the Group’s sustainability policies and strategies, by providing directions and considering ESG issues as part of its strategic formulation and investments. The SC will seek to integrate sustainability considerations in the business strategies of the Group in order to deliver steady and sustainable outcomes.

As at 31 December 2022 and 1 January 2023, the SC comprised five (5) Directors, including the Chairman and Mr Cheng Siak Kian, who stepped down as the Chief Executive Officer of the Group and was redesignated Non-Executive Deputy Chairman of the Board with effect from 1 January 2023. The SC Chairman is Professor Lim Seh Chun. The key terms of reference of the SC include the following:

- (i) Review and monitor the implementation of the Group’s sustainability strategy, including materiality assessment, review of compliance with policies, and alignment of sustainable development policies with laws and regulations;

## ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN FY2022

Name	BOARD		AUDIT & RISK COMMITTEE		NOMINATING & REMUNERATION COMMITTEE	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
BOB TAN BENG HAI	5	5	-	-	2	2
CHENG SIAK KIAN <sup>(a)</sup>	5	5	4	4 <sup>(b)</sup>	2	2 <sup>(b)</sup>
LIM TIEN HOCK <sup>(c)</sup>	5	4	-	-	-	-
DESMOND CHOO PEY CHING	5	5	4	4	2	2
CHUA MUI HOONG	5	5	4	4	-	-
SUSAN KONG YIM PUI <sup>(d)</sup>	5	5	4	3	2	2
LEE SOK KOON	5	5	4	4	-	-
LIM SEH CHUN	5	5	-	-	2	2
TAN KIM SIEW	5	5	4	4	2	2
YU CHING MAN	5	5	-	-	-	-
YANG BAN SENG <sup>(e)</sup>	5	1	4	1	2	1

Notes:

- (a) Mr Cheng Siak Kian, who was the Company’s Chief Executive Officer also assumed the post of Executive Deputy Chairman on 28 April 2022.
- (b) Attended meetings by invitation of the Committee.
- (c) Appointed Non-Independent Executive Director and Chief Executive Officer of the Bus Business with effect from 28 April 2022. Mr Lim Tien Hock was also appointed a member of the Service Quality Committee and the Sustainability Committee.



- (ii) Review and monitor Management's commitment and appropriate allocation of resources to achieving the desired outcomes of the Group's sustainability strategy;
- (iii) Establish sustainability policies and practices, set and assess ESG targets, and measure the performance against targets;
- (iv) Ensure the Group's sustainability policies, strategies and priorities are integrated into the Group's strategic plans, investment strategy and business goals;
- (v) Monitor and consider emerging key ESG trends and issues that may have strategic, business and reputational implications for the Group, and receive periodic reports from the Management or external parties on the same, and make recommendations to the Board as necessary; and
- (vi) Assist the Board in fulfilling its corporate governance and legal obligations in relation to the Group's performance, practices, strategies and policies for workplace safety and health of its employees, contractors, customers, and others affected by its activities, including its obligations under the Workplace Safety and Health Act 2006, Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health Duties, and other relevant legislation and regulations.

The SC oversees the workplace safety and health policy, the details of which are described in page 61.

Although the Board Committees are empowered to make their own decisions, the Board is ultimately responsible for all decisions made by the Board Committees.

### 1.5 DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

At least four (4) scheduled Board Meetings are held every year at regular intervals for the purpose of reviewing the results and ongoing performance of the Group notwithstanding that the financial results are only announced semi-annually. The Board Meetings to approve the half-year financial results are held within 45 days after the end of the first half of the financial year, and not later than 60 days after the end of the financial year for the full year financial results. A separate Board Meeting is also held in the last quarter of each year after the budget of the Company's subsidiary has been approved by its Board, to approve the Group's annual budget. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises.

Directors who are unable to attend meetings in-person can participate in the discussions through video/audio/tele-conferencing. Decisions of the Board and Board Committees on matters in the ordinary course of business may also be obtained via circular resolutions. Directors are free to seek clarifications and explanations from the Management on the reports and papers submitted to the Board and Board Committees.

SERVICE QUALITY COMMITTEE		SBST TENDERS AND INVESTMENTS COMMITTEE <sup>(f)</sup>		SUSTAINABILITY COMMITTEE		ANNUAL GENERAL MEETING	
No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
-	-	1	1	4	4	1	1
2	2	1	1	4	4	1	1
2	1	-	-	4	3	-	-
-	-	-	-	4	4	1	1
2	2	-	-	-	-	1	1
-	-	1	1	-	-	1	1
2	2	1	1	-	-	1	1
-	-	-	-	4	4	1	1
2	2	-	-	-	-	1	1
2	2	1	1	4	4	1	1
-	-	-	-	-	-	1	1

(d) Appointed a member of the Audit and Risk Committee with effect from 28 April 2022.

(e) Retired as Non-Independent Non-Executive Deputy Chairman of the Company at the AGM held on 28 April 2022.

(f) Formerly known as the SBST Tenders Committee, the Committee's terms of reference were expanded in February 2023 to include advising on investments in new initiatives, which may include securities, financings and assets, to enhance the Company's performance, and consequently, its name was changed to reflect such expansion.

## 1.6 ACCESS TO INFORMATION

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information to enable them to make informed decisions and discharge their duties and responsibilities. The Board also receives monthly management accounts, updates on key performance indicators and quarterly investor relations (“IR”) reports covering IR activities and updates of analysts’ and investors’ views and comments. This enables the Board to make informed and sound business decisions and to keep abreast of key challenges, opportunities and developments for the Group. As a general rule, reports to the Board and Board Committees are disseminated to Directors prior to meetings to provide sufficient time for review and consideration, so that discussions at the meetings are productive and effective. All information is encrypted if distributed electronically.

Directors can request for additional information and have full access to Management. Management provides information requested by Directors for their meetings and decision making in a timely manner.

## 1.7 INDEPENDENT PROFESSIONAL ADVICE

Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

## 1.8 COMPANY SECRETARIES

The Company Secretaries assist in organising Board and Board Committee Meetings, and prepare the agenda in consultation with the Chairman, the Group CEO and the chairpersons of the respective Board Committees. At least one of the Company Secretaries attends all Board and Board Committee Meetings. The Company Secretaries keep the Directors informed of any significant developments or events relating to the Group, including updates on all relevant rules and regulations. The Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### BOARD COMPOSITION

As at 31 December 2022, the Board comprised ten (10) Directors with 80% Independent Directors. With effect from 1 January 2023, Mr Cheng Siak Kian assumed the position of the Managing Director and Group Chief Executive Officer of ComfortDelGro and relinquished his position as SBS Transit’s Chief Executive Officer

(“CEO”). Whilst he remains the Deputy Chairman of the Company, he is deemed to be a nominee of the majority shareholder and is therefore, a Non-Independent Director of the Company. Mr Jeffrey Sim Vee Ming, was appointed the Group CEO and Non-Independent Executive Director, with effect from 1 January 2023. Ms Susan Kong Yim Pui was also appointed a Director of ComfortDelGro on 1 January 2023, and as such, is also deemed to be a nominee of the majority shareholder, and has been redesignated as a Non-Independent Director. Consequently, Ms Kong stepped down as the Chairman of the NRC but remained as a member of the Committee. The composition of the Board as at 1 January 2023 comprised eleven (11) Directors with 63.6% of the Board or 7 Directors being Independent Directors. There is a strong level of independence in the Board as the majority of the Board, including the Chairman, are Independent Directors with no family relations with the Executive Directors and Key Management Personnel. No person will be able to exercise undue influence over the decisions of the Board as Independent Directors continue to be the majority.

## 2.1 INDEPENDENT JUDGEMENT

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company and its Group.

A Director must not vote in respect of any contract or arrangement in which the Director is interested, in accordance with Regulation 111 of the Company’s Constitution.

The Board’s practices in relation to conflicts of interest are set out in the section “Conflicts of Interest” on page 38.

## 2.2 INDEPENDENT DIRECTORS

As mentioned above, as at 31 December 2022, the Board comprised ten (10) Directors with 80% of them being Independent Directors, and as at 1 January 2023, the Board comprised eleven (11) Directors with 63.6% of them being Independent Directors. There is a strong level of independence in the Board, and the current Board composition exceeds the requirement under the SGX-ST Listing Rules and the Code that at least one-third of the Board must be Independent Directors. As the Chairman, Mr Bob Tan Beng Hai, is an Independent Non-Executive Director (“NED”), a Lead Independent Director is not required. The Chairman, the Group CEO, and the Deputy Chairman are different persons and are not immediate family members. The Chairman and the Deputy Chairman are also not part of the Management team. No person will be able to exercise undue influence over the decisions of the Board as Independent Directors continue to be the majority.

The NRC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist which is drawn up in accordance with the guidelines provided in the Code and requires each Director to assess his/her own independence. Each Director is required to declare any circumstances in which he/she may be considered non-independent. The NRC will then review the Confirmation of Independence to determine whether a Director is independent. The NRC deems a Director who is associated with a majority shareholder in the current and immediate past financial year as non-independent. As at 1 January 2023, Mr Cheng Siak Kian, the Non-Executive Deputy Chairman and Ms Susan Kong Yim Pui, a NED, are deemed as non-independent as both are nominees of ComfortDelGro. As at the date of this statement, Mr Jeffrey Sim Vee Ming and Mr Lim Tien Hock are deemed non-independent as they are respectively Group CEO and CEO, Bus Business and both Executive Directors of the Company.

Professor Lim Seh Chun is the only Independent NED, who has served on the Board for more than nine (9) years. However, Professor Lim was re-elected as an Independent NED of the Company at the Annual General Meeting (“AGM”) in 2021 pursuant to a two-tier shareholder vote prescribed under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual prior to its revocation, and shall continue to be designated as Independent NED until Professor Lim’s retirement or resignation as Director, or the conclusion of the AGM of the Company in 2024. The NRC and the Board take the view that a Director’s independence should not be determined solely and arbitrarily on the basis of the length of service. A Director’s contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. In assessing the independence of a Director, the NRC and the Board take a holistic approach, taking into consideration various factors such as whether the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. The Board is of the view that all independent Directors, including Professor Lim, remain independent in the exercise of their judgement on Board matters.

### 2.3 NON-EXECUTIVE DIRECTORS

As at 31 December 2022, the Board comprised ten (10) Directors with 80% of them being NEDs. As at 1 January 2023, the Board comprised eleven (11) Directors with 81.8% of them being NEDs.

### 2.4 BOARD SIZE, COMPOSITION, DIVERSITY AND COMPETENCY

The NRC examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, knowledge, experience, age and gender. The NRC is of the view that the size of the Board is conducive for effective discussion and decision making, with an appropriate number of independent Directors. The NRC also takes into consideration the promotion of tripartism experience from labour, government and business, to foster constructive debate to enhance the Board’s ability to discharge its duties and responsibilities effectively.

The bulk of the Group’s businesses are regulated. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the NRC and the Board are of the view that the current size of eleven (11) Directors is appropriate.

The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

#### BOARD DIVERSITY POLICY

The Company adopted a Board Diversity Policy in 2019 which focusses on ensuring an appropriate balance and mix of skills, knowledge, experience, age, gender and other aspects of diversity within the Board to avoid groupthink and bias, and instead foster constructive debate and achieve effective decision-making in the best interests of the Group. Under the Board Diversity Policy, the NRC will discuss and agree annually the relevant measurable targets for promoting and achieving diversity in the composition of the Board and Board Committees and make its recommendations for consideration and approval by the Board.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate’s suitability in strengthening the diversity of skills, experience, age, gender, knowledge and core competencies of the Board relevant to the Group. In relation to gender diversity, the Board ensures that female candidates



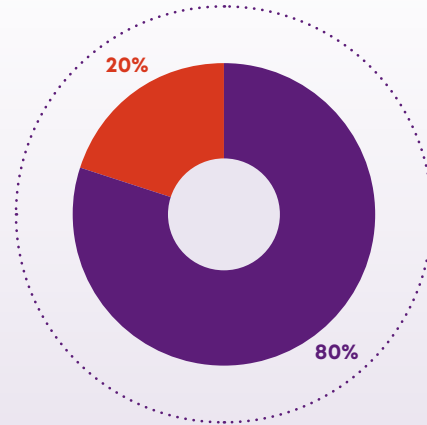
are included for consideration when identifying suitable candidates for new appointments to the Board, and in 2022, the Board adopted a guideline that at least one female Director sits on each Board Committee including the NRC. As at 31 December 2022 and 1 January 2023, out of ten (10) Directors and eleven (11) Directors respectively, three (3) Directors (or respectively, 30% and 27.2%) were females, with three (3) female Directors sitting on the ARC, one (1) female Director sitting on the NRC, and two (2) female Directors sitting on each of the SQC and the TIC. As there was no female Director on the SC, the NRC and the Board approved the appointment of Ms Chua Mui Hoong as a member of the SC with effect from the date of the forthcoming AGM, if she is re-elected as a Director. The number of female Directors on the ARC, SQC, and TIC exceeds the Company's Board Diversity Policy guideline while the number of female Directors on the NRC meets the guideline. The Company has also exceeded the target of the Council for Board Diversity to have at least 25% of Board seats held by females by 2025.

The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, legal, engineering, internal security, media, regulatory and business management, which are important to the Group as the Group is in the public transport services business and has to deal with various stakeholders including members of the public (being its customers), trade associations and professional bodies and regulators. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NRC is satisfied that the Board and Board Committees currently comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age, gender, and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

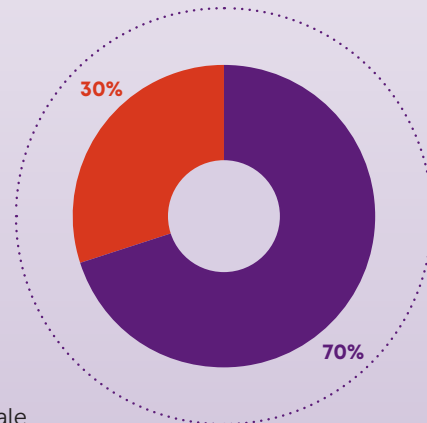
The Board has noted that one (1) of the current Independent NEDs, Professor Lim Seh Chun, who has served on the Board for more than nine (9) years and who was re-elected at the 2021 AGM as an Independent NED pursuant to a two-tier shareholder vote prescribed under the Rule 210(5)(d)(iii) prior to its repeal, would cease to be considered independent by the 2024 AGM and that one (1) other Independent NED will have served on the Board for nine (9) years by 2026. The Board therefore has commenced the search for a suitable Director to step in to the Independent NED office which will be vacated by Professor Lim, and plans to continually and on a

## BOARD INDEPENDENCE (AS AT 31 DECEMBER 2022)



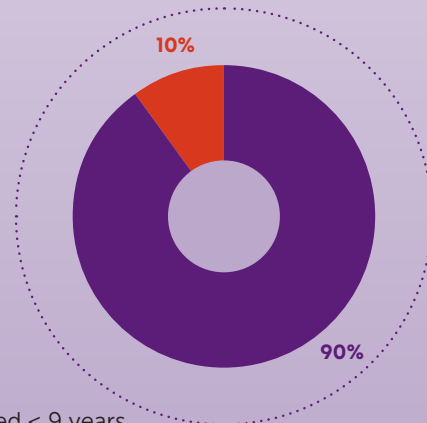
- Independent Non-Executive Director
- Non-Independent & Executive Director

## BOARD GENDER DIVERSITY (AS AT 31 DECEMBER 2022)



- Male
- Female

## DIRECTORS' LENGTH OF SERVICE (AS AT 31 DECEMBER 2022)



- Served < 9 years
- Served > 9 years

timely basis, identify suitable potential candidates to replace any retiring Independent NEDs. In the search for suitable Directors, the Board will look for candidates with competencies and characteristics of diversity in the areas of gaps identified by the Board pursuant to periodic reviews. The NRC and the Board shall review the size and composition of the Board annually to determine the optimal Board size and composition, having regards to the business and governance needs of the Group.

The Company shall source for suitable candidates through the recommendations of the existing Directors, other contacts and a variety of independent sources, which may include external consultants, to find the right match of potential candidates with the Company.

Nonetheless, the ultimate decision on selection of Directors will be based on merit against a set of objective criteria that complements and expands the skills, knowledge, industry and business experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board to serve the needs of the Group.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and/or in the preceding five years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 12 to 17 and pages 63 to 66 of this Annual Report.

## 2.5 NON-EXECUTIVE DIRECTORS' PARTICIPATION

All the NEDs have unrestricted access to the Management and are well supported by accurate, complete and timely information, including monthly and quarterly performance reports. They participate actively at Board and Board Committee Meetings to constructively challenge the Management and help develop proposals on business strategy and other business and governance issues. They also review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

As at 31 December 2022 and 1 January 2023, all the members of the ARC and NRC are NEDs. There is no Executive Director on these Board Committees.

The Chairman, who is not a member of the ARC, meets with the Chairperson of the ARC and the External Auditors annually in the absence of Management. From time to time when required, the NEDs, led by the independent Chairman or other NED as appropriate, meet without the presence of Management before or after Board Meetings. The chairperson of such meetings provides feedback to the Board and/or Chairman as appropriate.

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### 3.1 ROLES AND RESPONSIBILITIES OF CHAIRMAN AND THE GROUP CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Group CEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence. The responsibilities of the Chairman and the Group CEO are set out in writing, with the Chairman responsible for the effective functioning of the Board, and the Group CEO responsible for the operations and management of the Group's businesses. The Chairman and the Group CEO are not related.

The Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board Meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive action;
- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with shareholders and other stakeholders;
- (iv) Encourages constructive conversations and cordial relations within the Board, between the Board and Management and the Board and the Group CEO; and
- (v) Promotes high standards of corporate governance and transparency.

The Group CEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies as decided by the Board and reports to the Board on a regular basis.

The Chairman and the Group CEO represent the Board at official functions and meetings with shareholders and other stakeholders such as employees, regulators and customers. A detailed description of our engagements with stakeholders can be found in our Sustainability Report, which will be released separately.

Mr Cheng Siak Kian, who was the CEO, was appointed the Executive Deputy Chairman on 28 April 2022.

### 3.2 LEAD INDEPENDENT DIRECTOR

The appointment of a Lead Independent Director is not required as the Chairman is an Independent Director and the Chairman and the Group CEO are different persons. Moreover, the majority of the Board are independent Directors and none of the Independent Directors is part of Management or has a relationship with the Group CEO and his immediate family members. The ARC Chairperson is also readily available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

There are mechanisms for the Board to address any concern with conflict of interests, which are explained in the paragraph "Conflicts of Interest" on page 38.

### PRINCIPLE 4: BOARD MEMBERSHIP

There is a formal and transparent process for the appointment and reappointment of Directors to the Board, taking into account the need for progressive renewal of the Board.

#### 4.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

In 2021, the Nominating Committee ("NC") and the Remuneration Committee ("RC") were merged to streamline their respective functions for greater efficiency in reviewing the appointment, performance and remuneration of Directors and Key Management Personnel. Notwithstanding that the NC and RC were merged into the NRC, the roles and responsibilities of the respective functions were not compromised and the Company continues to adhere to the principles of the Code in relation to the NC and the RC.

The NRC is responsible for (i) regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place for Directors and Key Management Personnel (the "NC Role"); and (ii) setting the Group's remuneration policies for Directors, Group CEO, Executive Directors, Key Management Personnel and other senior executives (the "RC Role"). The details of the RC Role are found on pages 48 to 52 of this Annual Report.

#### NC ROLE

The renewal of Board membership is an ongoing process to ensure good governance and to maintain relevance in a changing business environment. All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. The key terms of reference of the NRC include the following:

- (i) Review the structure, size and composition of the Board;
- (ii) Review the succession plans of the Directors and Key Management Personnel, in particular the appointment and/or replacement of the Board Chairman, Deputy Chairman, Directors, Group CEO and other Key Management Personnel, and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;
- (iii) Develop and maintain a formal performance evaluation framework to assess and evaluate the effectiveness of the Board, the Board Committees and individual Director's performance;
- (iv) Assess the effectiveness of the Board and Board Committees and the contributions by each individual Director to the effectiveness of the Board;
- (v) Determine annually, and as and when circumstances require, if a Director continues to be considered independent; and
- (vi) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors.

#### 4.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

As at 31 December 2022, the NRC comprised five (5) NEDs, of whom five (5), including the NRC Chairperson, are independent. As at 1 January 2023, the NRC comprised six (6) NEDs, of whom four (4), including the NRC Chairman, are independent. The composition of the NRC therefore complies with the requirement under the Code that NC comprises at least three (3) directors, the majority of whom, including the NC Chairman, are independent.

#### 4.3 PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As part of the Board succession plan, potential candidates may be identified from time to time for appointment to the Board after the NRC evaluates and assesses their suitability in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board whilst ensuring that there is a balanced tripartism experience from government, labour and business to avoid unproductive groupthink and bias.



The process for selection of new Directors is as follows:

- (i) The NRC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives.
- (ii) The NRC then assesses the competencies and attributes to include into the current representation to achieve the desired mix. This forms the basis for selection of new Directors.
- (iii) New Directors are sourced through various channels, including recommendations of Directors and Management and if required, external search consultants.
- (iv) Potential candidates are interviewed by the NRC to assess suitability and commitment.
- (v) The NRC makes recommendations to the Board for approval.

In compliance with the Bus Services Industry Act 2015 and the Rapid Transit Systems Act 1995, all appointments to the Board are subject to approvals of the Land Transport Authority of Singapore ("**LTA**").

The Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every AGM. All Directors are required to retire from office at least once every three (3) years. Re-election is, however, not automatic, and all Directors are assessed by the NRC on their past performance and contributions before being recommended to shareholders for re-election at the AGM. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments.

At the forthcoming AGM, Mr Jeffrey Sim Vee Ming and Mr Lim Tien Hock, who were appointed at the last AGM, are subject to retirement and re-election pursuant to Regulation 106 of the Constitution of the Company, whilst Ms Chua Mui Hoong, Ms Susan Kong Yim Pui and Dr Tan Kim Siew are due for re-election pursuant to Regulation 100 of the Constitution of the Company.

#### **ALTERNATE DIRECTOR**

Consistent with the Code, there is no alternate Director on the Board.

#### **4.4 REVIEW OF INDEPENDENCE**

The process undertaken by the NRC to review the independence of the Directors is set out in page 43 above.

#### **4.5 MULTIPLE DIRECTORSHIPS**

The NRC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the Code, the NRC and the Board have adopted the following as a proactive step to ensure this:

- A Director who is in full-time employment should not serve as a Director on the Board of more than three (3) listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than six (6) listed companies.

As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NRC takes the view that if a Director wishes to hold more board representations than the maximum stated in the guidelines, a request must be made to the Chairman for approval. As a policy, the Chairman himself should not hold more than six (6) directorships in listed companies if he is not in full-time employment and not more than three (3) directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NRC takes a holistic approach. Focussing solely on the Directors' attendance at Board and Board Committee Meetings per se may not be an adequate evaluation of the contribution of the Directors. Instead, their ability to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the Group CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the Group

CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman does also ensure that the Group CEO will not accept appointments to the boards of competitors.

As at 31 December 2022, all Directors comply with the guidelines on multiple board representation.

#### 4.6 KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 12 to 17. The Notice of AGM sets out the Directors who are proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors are also available on the Company's website.

#### PRINCIPLE 5: BOARD PERFORMANCE

Each year, the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

#### 5.1 BOARD PERFORMANCE EVALUATION

The NRC is delegated by the Board to undertake a process to assess the effectiveness of the Board in terms of overall performance and growth of the Group, achieving a reasonable return for shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at AGM, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance criteria are determined by the NRC and approved by the Board, and does not change from year to year.

#### 5.2 ANNUAL BOARD PERFORMANCE EVALUATION PROCESS

The annual evaluation process (including for FY2022) for the Board, Board Committees and individual Directors involves the following:

- (i) Each Director completes an individual director's self-assessment form.
- (ii) The NRC members each completes a Board performance evaluation questionnaire.
- (iii) The respective Board Committee members completes the relevant Board Committee evaluation questionnaire.
- (iv) The results of the completed Board Committee questionnaires are collated by the Company Secretaries and sent to the chairpersons of the respective Board Committees as well as to the Chairman for review.

- (v) The results of the completed Board and Board Committee performance evaluation questionnaires and the individual self-assessment forms are collated by the Company Secretaries and reviewed by the NRC and approved for tabling to the Board for review.
- (vi) The collated results of the completed Board and Board Committee performance evaluation questionnaires, and individual self-assessment forms are presented to the Board for review, endorsement, and discussion on possible areas for improvement to enhance overall effectiveness.

The performance evaluation includes key points such as the Board composition and size, Board accountability, conduct of the Board and Board Committee Meetings, standards of conduct and whether the Directors have discharged their duties effectively.

## 2. REMUNERATION MATTERS

#### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

SBS Transit recognises the importance of having a skilled and dedicated workforce to manage and grow the Group's businesses in an increasingly competitive and challenging environment. It therefore places great emphasis on motivating staff through engagement, recognition and an alignment of rewards to corporate and individual performance, as well as long-term interests of the Group and shareholders.

The Board has a formal and transparent procedure for developing policies on Directors and Executive remuneration, and for fixing the remuneration packages of individual directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.

#### 6.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

In relation to the RC Role, the NRC plays an important role in setting the Group's remuneration policies for Directors, Group CEO, Executive Directors, Key Management Personnel and other senior executives.

#### RC ROLE

Besides providing the Board with an independent review and assessment of the remuneration packages of the Directors, it also reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success and the enhancement of shareholder value.

The NRC considers all aspects of remuneration, including the terms of termination, to ensure they are fair.

All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. Any member of the NRC with a conflict of interest in relation to the subject matter under consideration will abstain from voting, approving or making recommendations that would affect the decisions of the NRC. The Group CEO is not present at and does not participate in any NRC discussions pertaining to his own compensation and the review of his performance. He is, however, in attendance when the compensation of other Key Management Personnel is discussed. No Director is involved in deciding his or her own remuneration.

The key terms of reference of the NRC, in relation to remuneration matters, include the following:

- (i) Establishes a formal and transparent procedure for developing the Group's remuneration policies and fixing the remuneration packages for individual Directors and Key Management Personnel, and reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success;
- (ii) Reviews and recommends to the Board the remuneration framework and the specific remuneration packages for the Directors, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Reviews and approves the remuneration framework, and the specific remuneration packages of Key Management Personnel that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is appropriate to attract, retain and motivate Key Management Personnel to provide good stewardship of the Group and to successfully manage the Group for the long term;
- (iv) Reviews the Group's obligations arising in the event of termination of Directors' and Key Management Personnels' services to ensure that they are fair, reasonable and equitable, including the cessation of financial incentives that have been earned but not yet disbursed, due to exceptional circumstances of misstatement or misconduct; and

- (v) Oversees the administration of the SBS Executive Share Scheme ("**Share Scheme**") which shall include but not be limited to the offer and grant of ordinary shares of the Company ("**Shares**") to Key Management Personnel within the provisions of the Share Scheme and to delegate any part of the administration of the Share Scheme to any person or a corporate function to give effect to such provisions.

## **6.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE**

As mentioned above, as at 31 December 2022 and 1 January 2023, all members of the NRC are NEDs, the majority of whom, including the Chairperson of the NRC, are independent of Management and are also free from any business or other relationships which may materially interfere with their exercise of independent judgement. The composition of the NRC therefore complies with the requirement under the Code that the RC comprises at least three (3) directors, all of whom are non-executive and the majority, including the RC Chairman, are independent.

## **6.3 ACCESS TO GROUP CHIEF HUMAN RESOURCE OFFICER AND EXTERNAL REMUNERATION CONSULTANTS**

The NRC has unrestricted access to the Group Chief Human Resource Officer, who attends all NRC meetings and provides the relevant market remuneration data and practices to the Committee. The NRC may also seek external independent expert advice on such matters where needed. Where such advice is sought, the NRC will ensure that there is no existing relationship between the Group and its appointed consultants that will affect the independence and objectivity of the consultants. The Group continued to engage the services of an external consulting firm, Willis Towers Watson in FY2022, to conduct an executive compensation benchmarking exercise for an independent review of the compensation packages of its senior executives. The NRC is of the view that there is no existing relationship between Willis Towers Watson and the Group that would affect their independence and objectivity.

## **PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION**

The Group is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and

value creation of the Group, taking into account the strategic objectives of the Group, and is appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Group for the long term.

## 7.1 PERFORMANCE-RELATED REMUNERATION

The Group is committed to creating and enhancing shareholder value through growth that is sustainable and profitable. The remuneration packages of the Group CEO and Key Management Personnel comprise fixed and variable components, and are appropriate and proportionate to the sustained performance and value creation of the Group. The variable component in the form of year end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group's guidelines on fixed to variable component ratios in respect of remuneration packages are 70:30 for rank and file employees, 60:40 for middle management employees and 50:50 for senior management employees. Notwithstanding the guidelines, the actual remuneration packages for employees are ultimately determined on a case-by-case basis with the aim of maximising employee engagement and retention. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the employees with those of shareholders and contributes to sustainable performance and value creation in the long-term.

### SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES - SBS EXECUTIVE SHARE SCHEME

The Company obtained shareholders' approval at its AGM held on 29 April 2022 to implement the Share Scheme for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

The NRC may attach such relevant conditions to the awards under the Share Scheme as it may determine at its absolute discretion, including but not limited to, the satisfaction of performance targets and applicable performance periods, vesting schedule pursuant to which awards shall vest, and/or lapsing of awards in the event of misconduct or breach of the terms of employment.

The aggregate number of Shares which may be granted under the Scheme shall be subject to the applicable limits prescribed under the Listing Manual.

The Board and the NRC, which administers the Share Scheme, believe that the Share Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

In FY2022, a total of 411,000 Share awards were granted to selected Senior Employees of the Group under the Share Scheme. This included a grant of 30,000 Share awards to Mr Cheng Siak Kian as CEO and Executive Deputy Chairman of SBS Transit for FY2022, and 25,000 Share awards to Mr Jeffrey Sim Vee Ming as CEO of Rail Business of SBS Transit for FY2022. These are time-based awards to be vested over a four-year period.

Total Shares granted to Executive Directors of the Company in FY2022 are as follows:

DIRECTOR	SHARE AWARDS GRANTED DURING FY2022	AGGREGATE SHARE AWARDS GRANTED SINCE THE COMMENCEMENT TO 31 DECEMBER 2022	AGGREGATE SHARE AWARDS VESTED SINCE THE COMMENCEMENT TO 31 DECEMBER 2022	AGGREGATE SHARE AWARDS OUTSTANDING AT 31 DECEMBER 2022
Cheng Siak Kian	30,000	30,000	-	30,000
Jeffrey Sim Vee Ming	25,000	25,000	-	25,000

No participants to the Share Scheme are controlling shareholders of the Company or their associates.

## 7.2 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The structure for the payment of fees to NEDs for their services on the Board and on the various Board Committees is based on a framework comprising basic fees, attendance fees, and additional fees for serving on Board Committees and also, where applicable, for undertaking additional services for the Group. The fees are subject to the approval of shareholders at the AGM.



The Directors' fee structure for FY2022 is set out below:

BOARD		BASIC FEE (PER ANNUM)
Chairman		S\$73,000
Deputy Chairman		S\$54,750
Member		S\$36,500

BOARD COMMITTEE	ADDITIONAL FEES (PER ANNUM) AS	
	CHAIRMAN	MEMBER
Audit and Risk Committee	S\$24,333	S\$17,033
Nominating and Remuneration Committee	S\$14,600	S\$10,220
Service Quality Committee	S\$12,167	S\$8,517
SBST Tenders and Investments Committee	S\$12,167	S\$8,517
Sustainability Committee	S\$12,167	S\$8,517

The attendance fees were equalised between in-person and dial-in remote attendance to facilitate the holding of meetings remotely via video conferences during the COVID-19 pandemic. However, since 1 January 2023, the attendance fees payable to NEDs for attendance at each Board and Board Committee Meeting and the AGM have reverted to pre-COVID-19 rates as indicated in the table below.

MEETING	ATTENDANCE FEE (PER MEETING)	
	2022	2023
	IN-PERSON/DIAL-IN	IN-PERSON/DIAL-IN
Board / Board Committee Meeting held locally	S\$2,000	S\$2,000 / S\$1,000
Board / Board Committee Meeting held overseas	US\$2,000	US\$2,000 / US\$1,000

\* Directors are only paid one attendance fee per day irrespective of the number of meetings held on the same day.

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

### 8.1 REMUNERATION OF DIRECTORS AND EXECUTIVES

#### REMUNERATION OF CEO

REMUNERATION	THE GROUP				TOTAL COMPENSATION
	SALARY	BONUS	SHARE SCHEME	OTHERS	
FY2022	\$	\$	\$	\$	\$
CHENG SIAK KIAN <sup>(1)</sup>	391,200	271,700	102,226	53,341	818,467

Note

(1) Mr Cheng's Total Compensation includes his remuneration borne by ComfortDelGro for his concurrent appointment as Group Deputy Chief Executive Officer of ComfortDelGro from 16 March 2022, which accounted for twenty per cent (20%) of the total.

The CEO, being an executive of the Group, does not receive any fees for his directorships with the Company's subsidiaries.

#### DIRECTORS' FEES

Directors' fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees. The amount includes Directors' attendance fees for scheduled Board and Board Committee meetings held throughout the year.

In FY2022, ComfortDelGro conducted a Request for Proposal ("RFP") for its new external auditors for FY2022. As ComfortDelGro intended to nominate its new external auditors to be the external auditors of the SBS Transit for FY2023, the Group was invited to participate in the RFP Committee (an ad hoc committee set up by the ComfortDelGro Board) that conducted the RFP. The RFP Committee's scope of works included specifying the scope of audit works to be undertaken by the new auditors, reviewing and evaluating the submitted proposals, and negotiations with the tenderers. The ARC Chairperson, Ms Lee Sok Koon, participated in this taskforce on behalf of the Group. Directors' fees are also for services rendered in such taskforce.

The Directors' Fees of the Non-Executive Directors are as follows:

		DIRECTORS' FEES
		FY2022
		\$
1.	Tan Beng Hai	144,903.33
2.	Yang Ban Seng <sup>(1)</sup>	39,753.32
3.	Cheng Siak Kian <sup>(2)</sup>	N.A.
4.	Lim Tien Hock <sup>(3)</sup>	N.A.
5.	Desmond Choo Pey Ching	102,270.00
6.	Chua Mui Hoong	84,050.33
7.	Susan Kong Yim Pui	93,190.00
8.	Lee Sok Koon	105,867.00
9.	Lim Seh Chun	92,586.67
10.	Tan Kim Siew	98,270.33
11.	Yu Ching Man	88,533.33

Notes

- (1) The amount constitutes Mr Yang's Directors' Fees for the period from 1 January 2022 to 28 April 2022. Mr Yang retired as Deputy Chairman and Non-Independent Non-Executive Director of the Company at the conclusion of the AGM held on 28 April 2022.
- (2) Mr Cheng was a Non-Independent Executive Director of the Company in FY2022. No Director's Fees will be paid to him for FY2022.
- (3) Mr Lim was appointed as Non-Independent Executive Director with effect from 28 April 2022. No Director's Fees will be paid to him for FY2022.

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Key Management Personnel in the five (5) key portfolios having regard to the performance of the individuals and the Group, are as follows:

FY2022 REMUNERATION BAND	THE GROUP				TOTAL COMPENSATION
	SALARY	BONUS	SHARE SCHEME	OTHERS	
	%	%	%	%	%
<b>\$500,000 to \$749,999</b>					
<b>JEFFREY SIM VEE MING</b>	50.6	35.8	7.2	6.4	100.0
<b>\$250,000 to \$499,999</b>					
<b>LIM TIEN HOCK</b>	51.5	32.2	10.4	6.0	100.0
<b>IVAN TAN ENG KOK</b>	54.4	31.7	8.4	5.4	100.0
<b>IVAN PANG FUI ENG</b>	52.5	32.8	8.2	6.6	100.0
<b>FOO JANG KAE</b>	52.7	30.8	8.0	8.5	100.0

The total remuneration paid to these five (5) Key Management Personnel holding the key portfolios (who are not Directors or the Group CEO) amounted to \$2,394,109 in FY2022.

## 8.2 REMUNERATION OF CERTAIN RELATED EMPLOYEES

During the FY2022, no employee whose remuneration exceeded \$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the Group CEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

## 8.3 REMUNERATION AND OTHER PAYMENTS AND BENEFITS FROM THE GROUP TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

During FY2022, no other forms of remuneration and other payments and benefits, were paid by the Company and its subsidiaries to the Directors and the Key Management Personnel of the Company, except as disclosed above in pages 51 and 52.

### 3. ACCOUNTABILITY AND AUDIT

The Board has overall accountability to the shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects. Material price sensitive and trade sensitive information, annual reports and other material corporate developments are disseminated in a timely and transparent manner and posted on the Company's website as well as SGXNET. The financial results are reported semi-annually via SGXNET with an accompanying Negative Assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading in any material aspect. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

#### DEALINGS IN SECURITIES

The Group has a formal Policy on Securities – Restrictions Against Dealings to provide guidance to Directors and executives of the Group in relation to dealings in the securities of the Company, ComfortDelGro and VICOM Ltd ("**VICOM**"). Directors and executives of the Group are prohibited from dealing in the securities of the Company, ComfortDelGro and VICOM during the period commencing one month before the announcement of the Company's, ComfortDelGro's and VICOM's semi-annual results and full-year results (as the case may be) and ending on the date of the announcement of the relevant results. All Directors and executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

All Directors and executives of the Group are also told that they must not deal in (i) the securities of the Company, ComfortDelGro and VICOM on short-term considerations and/or while in possession of unpublished material, price-sensitive or trade sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material, price-sensitive or trade sensitive information relating to those securities.

The Group has put in place a standard operating procedure ("**SOP**") on compilation of information on privy persons who have access to material information of transactions that have yet to be disclosed to the public. The SOP prescribes that the person-in-charge of such transactions must remind all privy persons to keep all material information strictly confidential.

### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

#### 9.1 DETERMINATION OF THE NATURE AND EXTENT OF SIGNIFICANT RISKS

Risk management is an important and integral part of the Group's strategic planning and decision-making process. Key risks are identified and presented to the ARC and Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group. A detailed description of the Group's approach to internal controls and risk management can be found from pages 68 to 71 of this Annual Report.

As part of the risk management process, all businesses are required to refresh their risk inventories, conduct risk prioritisation exercises, identify key and emerging risks, and develop the requisite risk controls and risk treatment action plans. The identified risks, their indicators and action plans are to be continually reviewed and reported. In FY2022, the Group continued with its engagement of an external consultant to strengthen its risk management framework.

The Internal and External Auditors conduct reviews in accordance with their audit plans. Any material non-compliance and recommendations for improvements on the internal controls are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

## 9.2 ASSURANCE FROM THE GROUP CEO, CHIEF FINANCIAL OFFICER AND KEY MANAGEMENT PERSONNEL

For FY2022, the Board has received assurance from the Group CEO and the Chief Financial Officer (“CFO”) that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group’s internal controls system (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

## PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2022, the ARC comprised five (5) Independent NEDs. As at 1 January 2023, the ARC comprised four (4) Independent NEDs and two (2) Non-Independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the External Auditors. The Chairman and members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

### 10.1 ROLES AND RESPONSIBILITIES OF THE AUDIT AND RISK COMMITTEE

The terms of reference of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act 1967 and include the following:

- (i) Reviews and reports to the Board at least annually the adequacy and effectiveness of the Group’s internal control system (including financial, operational, compliance and information technology controls) and risk management systems;
- (ii) Reviews the effectiveness, adequacy, independence, scope and results of the Group’s external audit and internal audit function;
- (iii) Reviews the half-year and full-year financial statements and also the significant accounting and financial reporting issues and judgements so as to ensure the integrity of the financial statements, as well as any formal announcements relating to the Group’s financial performance and recommends to the Board the acceptance of such financial statements;
- (iv) Reviews the assurance from the Group CEO and the CFO on the financial records and financial statements;

- (v) Reviews the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (vi) Reviews Interested Person Transactions;
- (vii) Makes recommendations to the Board on: (i) the proposal to the shareholders on the appointment and removal of the External Auditors; and (ii) the remuneration and terms of engagement of the External Auditors;
- (viii) Reviews and approves the annual audit plans of the External Auditors;
- (ix) Reviews and approves the Internal Auditors’ annual and three-year rolling work plans; and
- (x) Reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, including the Group’s Whistleblowing Policy. The Whistleblowing Policy is described on pages 58 and 71 of this Annual Report.

The ARC members keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/ talks, articles and news circulated by the Company Secretaries and regular updates by the External Auditors at ARC Meetings.

### 10.2 COMPOSITION OF THE AUDIT AND RISK COMMITTEE

As mentioned above, as at 31 December 2022, the ARC comprised five (5) Independent NEDs, and as at 1 January 2023, the ARC comprised four (4) Independent NEDs and two (2) Non-Independent NEDs.

The ARC members as at 31 December 2022, who collectively bring with them recent and relevant managerial and professional expertise in accounting and related financial management domains, are as follows:

- (i) Ms Lee Sok Koon, Chairperson of the ARC, is an Independent Non-Executive Director of the Company. She is also a member of both the Service Quality Committee and the SBST Tenders and Investments Committee of the Company. She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, public listed companies on the Singapore



Exchange and an honorary member of the Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school. Ms Lee is also an Independent Director of NUS America Foundation, Inc., a tax exempt public charity in the United States of America, and a member of the Finance and Investment Committee of the Singapore Island Country Club. Ms Lee was the Director of Operations in the Development Office of the National University of Singapore from May 2012 to August 2017. Prior to this appointment, Ms Lee was the Finance Director of Lum Chang Holdings Ltd and L.C. Development Ltd (now known as AF Global Limited), both public companies which are listed on the Singapore Exchange. She was responsible for the finance and corporate affairs of the two listed companies covering all financial matters, corporate governance, tax, legal, corporate communications and internal audit for more than 20 years. Ms Lee holds a Bachelor of Accountancy (Hons) from the then University of Singapore in 1975. She is a Member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.

(ii) Mr Desmond Choo Pey Ching is an Independent Non-Executive Director of the Company. He is also a member of both the Nominating and Remuneration Committee and the Sustainability Committee of the Company. Mr Choo is currently the Assistant Secretary-General and Director of Policy Division at National Trades Union Congress (NTUC), overseeing the economic and social policies, strategic communications and international affairs teams. He is also the Executive Secretary of the Union of Telecoms Employees of Singapore and Adviser to Young NTUC. Mr Choo is an elected Member of Parliament for Tampines Group Representative Constituency and the Adviser to Tampines Changkat Grassroots Organisations since 2015. He is also the Mayor of the North East District, overseeing social and community development for 20 constituencies. He also serves as Chairman of the Government Parliamentary Committee (GPC) for Manpower. Mr Choo also sits on the Board of Directors for Surbana Jurong Pte Ltd since June 2018. Prior to NTUC, he had served in various roles in the Singapore Police Force (SPF), Ministry of Manpower as well as in the private sector. Prior to his NTUC appointment, he was Senior Vice President, Investments, of Kestrel Capital Pte Ltd. Mr Choo was awarded the SPF Overseas Merit Scholarship in 1997 to read Economics and Social Sciences at the University of Chicago.

(iii) Ms Chua Mui Hoong is an Independent Non-Executive Director of the Company. She is also a member of the Service Quality Committee of the Company. Ms Chua is a journalist and editor. She is the Associate Editor of The Straits Times, Singapore's leading English language daily news publication and was the Opinion editor from 2011 to 2020. She is the author of several books, including Singapore, Disrupted (2018). She writes regularly on social and political affairs. She is a former board member of the Agri-Food and Veterinary Authority, where she was a member of the Audit and Risk Committee. She is also a former director of Straits Times Press Pte Ltd, a subsidiary of Singapore Press Holdings. She has over 30 years' experience in the media sector. As an Associate Editor at The Straits Times, she writes regularly on public interest matters including on regulatory and governance issues. Ms Chua holds a Bachelor of Arts (Honours) in English literature from Cambridge University and a Master in Public Administration from the Harvard Kennedy School.

(iv) Ms Susan Kong Yim Pui was an Independent Non-Executive Director of the Company. She was also the Chairperson of the Nominating and Remuneration Committee and a member of the SBST Tenders Committee. Ms Kong was appointed an Independent Non-Executive Director of ComfortDelGro and was redesignated as a Non-Independent Non-Executive Director of the Company with effect from 1 January 2023, when she also stepped down as Chairperson of the Nominating and Remuneration Committee, but remained a member. She has an LLB (Hons) from the National University of Singapore and has been a practicing lawyer for more than 30 years and is recognised as a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets. Ms Kong is the founder of Q.E.D. Law Corporation. In her practice, she has advised listed companies and financial institutions on corporate governance and compliance issues. Ms Kong is the Chairperson of Singapore Tyler Print Institute and a Director of HealthServe Limited. Ms Kong has also been a director of Surbana Corporation Private Limited and UOB Radanasin Bank Public Company Limited in Thailand for 9 years.

- (v) Dr Tan Kim Siew is an Independent Non-Executive Director of SBS Transit Ltd. He is also a member of both the Nominating and Remuneration Committee and the Service Quality Committee of the Company. He is also the Chairman and an Independent Non-Executive Director of VICOM Ltd. Dr Tan is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore. Prior to this appointment, Dr Tan was the Permanent Secretary (Defence Development) of the Ministry of Defence from 2003 to 2012. He had also held other appointments in the public service, including CEO of the Urban Redevelopment Authority, Deputy Secretary in the Ministry of Finance and in the Ministry of National Development, Chairman of the Defence Science and Technology Agency, and Chairman of the DSO National Laboratories. Dr Tan was awarded the Public Administration Medal (Silver) (Military) in 1990, the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 2001 and the Long Service Medal in 2003 by the President of the Republic of Singapore. Dr Tan holds a Bachelor of Arts (Honours) (Engineering Tripos) with Distinction in Electronics Engineering and Doctor of Philosophy (Engineering) from the University of Cambridge.

The details of the ARC members' credentials are found on pages 14 to 17 of this Annual Report.

### 10.3 CONFIRMATION OF NO FORMER PARTNERS OR FINANCIAL INTEREST

None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the External Auditors.

### 10.4 INTERNAL AUDIT

The Internal Audit function of the Group is performed by ComfortDelGro's Group Internal Audit Division (the "**IA Division**") comprising suitably qualified and experienced Internal Audit staff including the Group Chief Internal Audit Officer ("**GCIAO**"). The ComfortDelGro Group Internal Audit staff have professional qualifications and are either members of the Institute of Singapore Chartered Accountants, CPA Australia, the Information Systems Audit and the Control Association or Institute of Internal Auditors. The GCIAO reports functionally to the Chairperson of the ARC and administratively to the Managing

Director/Group CEO of ComfortDelGro. The ARC participates in the hiring, removal and evaluation of the GCIAO and reviews his performance with the Managing Director/Group CEO of ComfortDelGro.

The IA Division adopts a risk-based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The annual audit plan is developed by the GCIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial year. Quarterly internal audit reports are also prepared and submitted to the ARC. Any material non-compliance or lapses in internal controls are reported to the ARC and the Group CEO for improvements to be made. The ARC conducts review of the adequacy, effectiveness, independence, scope and results of the internal audit function. The ARC has full access to the GCIAO, and meets with the GCIAO at least once a year in the absence of Management. The IA Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC and has appropriate standing within the Group.

The activities and organisational structure of the IA Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. The IA Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors ("**IIA Standards**"). The IA Division successfully completed its external Quality Assurance Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

The ARC finds the IA Division independent, effective and adequately resourced.

### 10.5 AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held four (4) meetings during FY2022. The Group CEO, CFO, and GCIAO were present at these meetings. The External Auditors attended the meetings that discussed the half year and full year results. The ARC reviewed and considered the following:

- (i) Overall scope of both internal and external audits and results of their respective audits;
- (ii) Significant internal and external audit observations and Management's responses;
- (iii) Half year and full year results announcements and the financial statements and recommendation to the Board;
- (iv) Adoption of the Singapore Financial Reporting Standards (International);
- (v) Interested Person Transactions;
- (vi) Corporate service charges;
- (vii) Risk management and adequacy and effectiveness of internal controls;
- (viii) Independence of the External Auditors;
- (ix) Recommendation to the Board of the appointment or re-appointment of External Auditors and its remuneration; and
- (x) Significant matters (if any) raised through the Whistleblowing channel.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from the Management, discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

The ARC meets with the Internal and External Auditors annually in the absence of the Management. During these meetings, the Internal and External Auditors may raise issues encountered in the course of their work directly to the ARC.

## 10.6 SIGNIFICANT FINANCIAL REPORTING MATTERS

In the review of the financial statements of the Group for FY2022, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
<b>Provision for rail contract</b>	The ARC has considered the areas of significant judgement used by Management in projecting the future financial performance of the DTL, NEL and SPLRT under the terms of the Consolidated Rail Licence. Following the review and discussions with Management and the External Auditors together with the assessment by the external independent third party consultant, the ARC is satisfied with the areas of significant judgement used in projecting the future financial performance of the DTL, NEL and SPLRT under the terms of the Consolidated Rail Licence.
<b>Valuation and completeness of provision for accident claims</b>	The ARC considered the approach and methodology applied to the valuation and completeness of provision for settlement of accident claims. Following the review and discussions with Management and the External Auditors, the ARC is satisfied with the estimates used in determining the probability and amounts of expected settlement claims.

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for FY2022.

## 10.7 REVIEW OF INDEPENDENCE OF EXTERNAL AUDITORS

The ARC assesses the independence of the External Auditors based on the guidelines set by the Accounting and Corporate Regulatory Authority and the Accountants Act 2004 of Singapore. The ARC is satisfied that the independence of the External Auditors, Deloitte & Touche LLP ("**Deloitte**"), is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with. The partner in-charge of auditing the Company is changed every five (5) years as a further safeguard of Deloitte's independence.

### CHANGE OF EXTERNAL AUDITORS

The Company has received a notice of nomination dated 24 January 2023 from ComfortDelGro, the Company's majority shareholder on the appointment of Ernst and Young LLP ("**EY**") in place of Deloitte.

The ARC is of the view that the change of auditors is in the best interests of the Group as it would enable the Group to benefit from a change of perspectives. Moreover, having EY as the auditor of the Group would enable the Group to benefit from a more coordinated audit as EY is currently the auditor of ComfortDelGro. There will be no change in the scope of the audit to be undertaken by EY. The ARC has also considered the Audit Quality Indicators listed in the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in assessing the suitability of EY as the Group's new auditors. It will be proposed at the upcoming AGM that the Company effects the change of auditors from the financial year ending 31 December 2023. Accordingly, Deloitte will not be seeking re-appointment at the forthcoming AGM of the Company.

The Board, with the concurrence of the ARC, is satisfied that EY will be able to meet the audit requirements of the Group after having considered factors such as the adequacy of the resources and experience of EY and the audit engagement partner assigned to the audit, EY's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff who will be assigned to the Group's audit. The Board, with the concurrence of the ARC, is also satisfied that if EY is appointed, Rules 712, 715 and 716 of the SGX-ST Listing Manual will be complied with.

EY has given their consent to be appointed as the External Auditors, subject to the approval of the shareholders at the AGM.

Further information on the appointment of EY can be found in the Notice of AGM.

## 10.8 WHISTLEBLOWING POLICY

The Group's Whistleblowing Policy provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisal within the limits of the law. Employees are given a Group Handbook detailing how they can go about raising their concerns. Incidents can also be reported via a direct Intranet link to the GCIAO or the Chairperson of the ARC.

The contact information is as follows:

- i. GCIAO at DID: +65 6383 7010 or by email to [gciao@comfortdelgro.com](mailto:gciao@comfortdelgro.com) or via the intranet.
- ii. Chairperson of the ARC via this email: [arc\\_chairman@sbstransit.com](mailto:arc_chairman@sbstransit.com)

All cases are investigated and overseen by the IA Division, and dealt with promptly and thoroughly. The identities of whistleblowers are kept confidential, and the Group is committed to ensure protection of whistleblowers against detrimental or unfair treatment. The number of whistleblowing cases regardless of significance will be registered by the GCIAO, and will be reported to the ARC quarterly. The ARC is responsible for oversight and monitoring of whistleblowing.

## 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### 11.1 DISCLOSURE OF INFORMATION TO SHAREHOLDERS

The Company notifies shareholders in advance of the dates of release of its financial results through the Company's website as well as SGXNET. Communications with shareholders are conducted through announcements to the SGXNET, media and analyst briefings after the announcement of the financial results together with its presentation materials, as well as the posting of announcements and press releases on the Company's website. The Group has formulated a Policy on Securities – Drafting and Releasing SGX-ST Announcements to provide guidance on preparation of SGX-ST announcements.



Shareholders may send in their requests or queries through the feedback channel provided on the Company's website. The IR function of the Group is performed by the ComfortDelGro Group's IR team ("**Group IR Team**"), led by the ComfortDelGro Head, Group Investor Relations ("**GHIR**"). The Group IR Team is accessible throughout the year to address shareholders' queries. The contact details of the GHIR can be found on the Company's website (<https://www.sbstransit.com.sg/request-form>).

Beyond complying with the requirements of the Code, the SGX-ST Listing Manual and the Companies Act 1967, the Company has also taken various additional measures to enhance corporate governance and improve transparency, including:

- (i) The Notice of AGM is released publicly at least 28 days before the AGM is held; and
- (ii) The Annual Report is available to all shareholders at the Company's website at least 28 days before the AGM to ensure that all shareholders have adequate time to review the Annual Report before the AGM. The electronic documentation demonstrates the Group's commitment towards Green and Sustainability efforts. Upon request, hard copies are provided to shareholders.

## **11.2 CONDUCT OF SHAREHOLDER MEETINGS INCLUDING DIRECTORS' ATTENDANCE**

The Company encourages and supports shareholder participation at general meetings, and views the AGM as a good opportunity for shareholders to meet the Board and Senior Management. The top criterion for selecting the AGM venue is an easy to reach location within Singapore accessible by public transport. Shareholders are informed of shareholders' meetings through notices published in the newspapers and circulars sent to all shareholders. All registered shareholders are invited to attend and participate actively at the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions.

All Directors including the Chairman, Group CEO and the chairpersons of the various Board Committees together with Senior Management and the Company Secretaries are present to address any question or feedback raised by the shareholders at the AGM and thereafter, including those pertaining to the proposed resolutions before they are voted on. The External Auditors are also present to address shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

The Company's AGM for the Financial Year ended 31 December 2021 was held on 28 April 2022 both

physically and by way of audio-visual electronic means due to the COVID-19 pandemic.

The FY2022 AGM scheduled to be held on 27 April 2023 will also be held both (i) physically ("**Physical Meeting**") and (ii) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Virtual Meeting**"). To facilitate high levels of shareholders engagement, real-time communication and real-time live voting will be conducted during the AGM for shareholders and proxies attending the Physical Meeting and Virtual Meeting. Shareholders who are not able to attend the AGM in-person or those who prefer to attend the live webcast may do so by audio or audio-visual means. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. Please refer to the Notice of the Thirtieth AGM of the Company for more information.

## **11.3 RESOLUTIONS AND VOTING AT GENERAL MEETINGS**

Each issue or matter requiring shareholders' approval is tabled as a separate and distinct resolution. The Company does not practise bundling of resolutions. All the resolutions at the shareholders' meetings are single item resolutions. The Company will consider implementing absentia voting methods such as voting via mail, e-mail or fax when security, integrity and other pertinent issues are satisfactorily resolved.

The Constitution of the Company provides for voting in-person and by proxy at the AGM of the Company. Each shareholder is allowed to appoint up to two proxies to vote on his/her behalf at shareholders' meetings through proxy forms sent in advance. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend, speak and vote at shareholders' meetings. Shareholders who hold shares through these relevant intermediaries will be allowed to attend, speak and vote at the AGM subject to being appointed a proxy by their respective relevant intermediaries.

The Company has adopted electronic poll voting for General Meetings since 2013 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for or against each resolution or abstentions if any and the respective percentages (voting results) and the names of the independent scrutineers for the AGM

are presented during the AGM and are announced via the SGXNET after the AGM. Voting by poll is the most accurate means of tabulating shareholders' votes according to the number of shares owned. The Company believes that this will encourage greater shareholders' participation at the Company's General Meetings and demonstrates SBS Transit's commitment to high standards of corporate governance and transparency.

#### 11.4 MINUTES OF GENERAL MEETING

The Company prepares minutes of General Meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. The minutes are available to shareholders on the Company's website and SGXNET within one month after the date of the AGM.

#### 11.5 DIVIDEND POLICY

The Company's dividend policy is to pay out at least 50% of profit attributable to shareholders of the Company. The dividend policy takes into account the long-term objective of maximising shareholder value, availability of cash and retained earnings, projected capital expenditure and growth opportunities. The Company declares dividend semi-annually and informs its shareholders of the dividend payments via announcements to SGXNET. Dividends are paid to shareholders in an equitable and timely manner.

### PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

#### REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

The Company is committed to ensuring that accurate and pertinent information is disseminated to the market in a timely and transparent manner as part of good corporate governance. We have put in place an IR programme to promote regular, effective and fair communications with shareholders and the investment community.

Communications with the SGX-ST is handled by the Company Secretaries, while communications with shareholders, analysts and fund managers is handled by the GHIR. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

In addition, the Company has put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities and to clear all announcements to the SGXNET with the Board.

#### 12.1 INVESTOR RELATIONS POLICY AND AVENUES FOR COMMUNICATION

The Company's IR Policy sets out the process and mechanism to promote regular, effective and fair communications with shareholders and the investment community. The dedicated Group IR Team works with senior management to proactively carry out the IR engagement programme.

The Company is committed to treat all shareholders fairly and equitably, and to engage with shareholders and the investment community through various platforms including (where appropriate):

- (i) The Company's general meetings, namely AGMs and as and when necessary, Extraordinary General Meetings;
- (ii) Media briefings and analysts' briefings;
- (iii) Announcements via SGXNET in compliance with the SGX-ST Listing Rules;
- (iv) Investors' meetings, roadshows and conferences;
- (v) Annual reports and sustainability reports;
- (vi) Media releases and statements; and
- (vii) Corporate website ([www.sbstransit.com.sg](http://www.sbstransit.com.sg)).

### 5. MANAGING STAKEHOLDERS RELATIONSHIPS

#### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company adopts an inclusive approach by balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Group are served.

#### 13.1 IDENTIFICATION OF AND ENGAGEMENT WITH MATERIAL STAKEHOLDERS

The Company has arrangements in place to enable it to engage stakeholders so as to better understand and take action to address their needs and interests. Since the COVID-19 pandemic, the Company has been taking every opportunity to make use of digital means to communicate with shareholders. We were one of the first companies to hold hybrid meetings for its shareholders, with real-time communication and real-time live voting.

#### 13.2 MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Group's Sustainability Report. Our Sustainability Report highlights the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core) and complies with the relevant requirements under the SGX-ST Listing Manual,

including Rules 711A and 711B. As part of the Company's sustainability efforts and to ensure more efficient engagement, the Company encourages all shareholders to give their express consent to receive communications to shareholders, including statutory notices for general meetings and other circulars, via email and digital platforms.

### 13.3 CORPORATE WEBSITE

The Company maintains a corporate website to communicate and engage with stakeholders ([www.sbstransit.com.sg](http://www.sbstransit.com.sg)).

## 6. ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

The Company has also undertaken various additional measures to enhance corporate governance as follows:

### CORPORATE GIFTS / ENTERTAINMENT POLICY

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among business partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be open to misinterpretation.

Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Employees who receive gifts directly or indirectly in relation to their employment with the Group are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts presented and entertainment on the Group's behalf are consistent with generally accepted corporate governance, business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country that the Group operates in or any company with which the Group has dealings.

### ANTI-CORRUPTION POLICY

The Group complies with all the applicable laws of the jurisdictions in which it operates and conducts business in an open and transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining

perceived advantage for the Group. All employees are responsible for following the Group's procedures, including audit controls, for carrying out and reporting business transactions.

### BLOCK LEAVE POLICY

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to employees holding key functions. This arrangement allows covering officers to fully step into the duties of the employees on leave as an additional check and balance against any breaches.

### HEALTH AND SAFETY POLICY

Given the nature of the Group's businesses, the health and safety of the employees and customers are of paramount importance. Safety is, therefore, a perpetual top priority for the Group's operations. The Group complies with applicable statutory requirements and regulations in respect of health and safety, and has put in place procedures to guide proper safe work practices for the well-being of all employees and customers.

In 2022, following the issuance of the COP, the Group reviewed its work procedures and processes to ensure that its safety policies, standards and practices comply with the Workplace Safety and Health Act 2006 and the COP. The Group's safety policies, standards and practices adhere to the core principles and measures set out in the COP.

Employees are sent for training to equip them with greater awareness and knowledge of good WSH practices. Employees are required to observe safety rules and carry out safe work practices that apply to their jobs to ensure a safe work environment for everyone. They are also strongly encouraged to surface safety issues to improve safety standards at the workplace.

### INFORMATION PROTECTION POLICY

The Group has also implemented an Information Protection Policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential, restricted and unrestricted use based on its nature, contents and implications. Processes and systems used to store, process or communicate the information provide protection against unauthorised disclosure and use.

### DATA PROTECTION POLICY

All business units are required to comply with applicable laws pertaining to data protection. In particular, the business units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act 2012, including the Do Not Call provisions that came into force in 2014.

# CORPORATE GOVERNANCE

## CYBERSECURITY POLICY

The Group has adopted the international Information Security Standard ISO 27000 in assessing and formulating the Group's cybersecurity framework. The Group regularly reviews its cybersecurity measures to ensure effective protection of our information technology systems and databases. The Group has implemented multi-layered defences, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. The Group keeps abreast of the evolving threats and the latest techniques, and actively collaborates with cybersecurity authorities and regulators to develop appropriate countermeasures.

The Group will continue to strengthen its capabilities in light of the way cybersecurity risks will evolve with the digital age. As and when necessary, the Group will take appropriate risk management decisions and implement security controls to secure its information infrastructure systems and databases.

## SUPPLIER ETHICS POLICY

The Group procures a wide range of goods and services from various businesses, companies, persons and entities and requires its suppliers to be in full compliance with all applicable laws and regulations and practises fair competition in accordance with local anti-trust and competition regulations. Suppliers must conduct their businesses with integrity, transparency and honesty and the Group does not condone any corrupt and fraudulent practice.

Suppliers must have in place health and safety policies for their employees and be committed to good environmental, social and governance practices. Suppliers must not trade in the securities of the Group while in possession of confidential non-public information.

## CREDITORS' PAYMENT POLICY

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. The Group negotiates with suppliers on an individual basis and meet its obligations accordingly.

## 7. INTERESTED PERSON TRANSACTIONS

### LISTING MANUAL – RULE 907

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN \$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN \$100,000)
ComfortDelGro	ComfortDelGro is the majority shareholder of the Company	14,445,000	Nil
VICOM Ltd	VICOM is an associate of the Company	Nil	Nil

The aggregate value of the above transactions does not include the aggregate value of \$2.8 million from the renewal of Licence Agreement disclosed in the Introductory Document of the Company dated 3 December 1997. These transactions relate to leasing charges paid to ComfortDelGro for use of the premises. There is no shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.



# DIRECTORS' PARTICULARS

As at 1 March 2023

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>BOB TAN BENG HAI</b> Chairman (Independent Non-Executive Director)	71	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.  <b>Other Companies</b> (1) Singapore Post Limited* (2) CapitaLand Ascott Trust Management Limited^ (fka Ascott Residence Trust Management Limited) (3) CapitaLand Ascott Business Trust Management Pte. Ltd.^ (fka Ascott Business Trust Management Pte. Ltd.) (4) Bedrock Trust Pte. Ltd. (5) Jurong Engineering Limited	(1) Sembcorp Marine Ltd (2) SINGEX Holdings Pe Ltd (3) Singapore LNG Corporation Pte Ltd	(1) SBS Transit Ltd* (Chairman) (2) Singapore Post Limited* (Director) (3) CapitaLand Ascott Trust Management Limited^ (fka Ascott Residence Trust Management Limited) (Chairman) (4) CapitaLand Ascott Business Trust Management Pte. Ltd.^ (fka Ascott Business Trust Management Pte. Ltd.) (Chairman) (5) Jurong Engineering Ltd (Chairman) (6) Sentosa Development Corporation (Chairman)	NIL

\* Listed Company

^ CapitaLand Ascott Trust Management Limited (fka Ascott Residence Trust Management Limited) is the manager of CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) (fka Ascott Real Estate Investment Trust). CapitaLand Ascott Business Trust Management Pte. Ltd. (fka Ascott Business Trust Management Pte. Ltd.) is the trustee-manager of CapitaLand Ascott Business Trust (CapitaLand Ascott BT) (fka Ascott Business Trust). CapitaLand Ascott Trust is a stapled group listed on the SGX-ST Mainboard comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.

# DIRECTORS' PARTICULARS

As at 1 March 2023

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>CHENG SIAK KIAN</b> Deputy Chairman (Non-Independent Non-Executive Director)	53	<p><b>Directorships in the SBS Transit Group</b></p> <p>(1) SBS Transit Ltd* (2) SBS Transit Rail Pte Ltd</p> <p><b>Principal Directorships in the ComfortDelGro Group</b></p> <p>(1) ComfortDelGro Corporation Limited* (2) Comfort Transportation Pte Ltd (3) CityCab Pte Ltd (4) ComfortDelGro Engineering Pte Ltd (5) ComfortDelGro Corporation Australia Pty Ltd (6) Braddell Limited (7) Metroline Limited (8) CityFleet Networks</p> <p><b>Principal Directorships in the VICOM Group</b></p> <p>(1) VICOM Ltd* (2) Setsco Services Pte Ltd</p>	<p>(1) CDC Travel Pty Ltd (2) Hillsbus Co Pty Ltd (3) Hunter Valley Buses Pty Ltd (4) Westbus Region 1 Pty Ltd (5) CDC NSW Pty Ltd (6) CDC Victoria Pty Ltd (7) CDC Geelong Pty Ltd (8) CDC Sunshine Pty Ltd (9) CDC Oakleigh Pty Ltd (10) CDC Altona Pty Ltd (11) CDC Wyndham Pty Ltd (12) CDC Ballarat Pty Ltd (13) Baypalm Pty Limited (14) Qcity Transit Pty Ltd (15) CDC Eastrans Pty Ltd (16) Western Sydney Repair Centre Pty Ltd (17) Blue Mountains Transit Pty Ltd (18) National Patient Transport Pty Ltd (19) National Patient Transport NSW Pty Ltd (20) National Patient Transport QLD Pty Ltd (21) National Patient Transport WA Pty Ltd (22) National Patient Transport SA Pty Ltd (23) NPT Heart Pty Ltd (24) Platinum Healthcare Pty Ltd (25) National Patient Transport VIC Pty Ltd (26) CDC Tullamarine Pty Ltd (27) Terrey Hills Depot Holdings Pty Limited (28) FCL Holdings Pty Limited (29) FCL Finance Pty Limited (30) Forest Coach Lines Pty Limited (31) Buslink Pty Ltd (32) Buslink Southern Pty Ltd (33) Buslink Gladstone Pty Ltd (34) Buslink Sunshine Coast Pty Ltd (35) Buslink Broken Hill Pty Ltd (36) Buslink Sunraysia Pty Ltd (37) Tropic Sun Pty Ltd (38) Buslink NT Pty Ltd (39) Buslink Alice Spring Pty Ltd (40) CDC Commercial Bus Company Pty Ltd (41) SBS Transit Mobility Pte. Ltd.</p>	<p>(1) ComfortDelGro Corporation Limited* (Managing Director &amp; Group Chief Executive Officer)</p>	<p>(1) SBS Transit Ltd* (Chief Executive Officer and concurrently in 2022, ComfortDelGro Corporation Limited* (Group Deputy Chief Executive Officer)) (2) ComfortDelGro Corporation Australia Pty Ltd (NSW) (Chief Executive Officer)</p>

\* Listed Company

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>JEFFREY SIM VEE MING</b> Group Chief Executive Officer (Non-Independent Executive Director)	46	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd. (3) SBS Transit Mobility Pte. Ltd.  <b>Directorship in the ComfortDelGro Group</b> (1) Auckland One Rail Limited	NIL	(1) SBS Transit Ltd* (Director and Group Chief Executive Officer) (2) SBS Transit Rail Pte. Ltd. (Chief Executive Officer)	<b>SBS Transit Group</b> (1) Acting Head of Rail (2) Head of NEL/SPLRT (3) Head of Rail Development (4) Head of NEL/SPLRT Engineering (5) Head of NEL/SPLRT Rolling Stock
<b>LIM TIEN HOCK</b> Chief Executive Officer, Bus Business (Non-Independent Executive Director)	52	<b>Principal Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.	(1) CityCab Pte Ltd (2) Comfort Transportation Pte Ltd (3) ComfortDelGro Driving Centre Pte. Ltd. (4) ComfortDelGro Medicare Pte Ltd (5) Ming Chuan Transportation Pte. Ltd	(1) SBS Transit Ltd* (Director and Chief Executive Officer, Bus Business)	(1) ComfortDelGro Corporation Limited* (Senior Vice-President, Group Human Resource) (2) ComfortDelGro Driving Centre Pte Ltd (Chief Executive Officer) (3) ComfortDelGro Medicare Pte. Ltd. (Chief Executive Officer)
<b>DESMOND CHOO PEY CHING</b> (Independent Non-Executive Director)	45	(1) SBS Transit Ltd* (2) Surbana Jurong Pte Ltd (3) Singapore Economic Development Board	Nil	(1) Surbana Jurong Pte Ltd (Director) (2) Singapore Economic Development Board (Board Member) (3) People's Association (Mayor, North East District) (4) National Trades Union Congress (Assistant Secretary-General) (5) Tampines Town Council (Vice Chairman)	Nil
<b>CHUA MUI HOONG</b> (Independent Non-Executive Director)	54	(1) SBS Transit Ltd*	(1) Agri-Food and Veterinary Authority of Singapore	(1) SPH Media Trust (Company Limited by Guarantee) (Associate Editor of The Straits Times)	Nil

\* Listed Company

# DIRECTORS' PARTICULARS

As at 1 March 2023

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>SUSAN KONG YIM PUI</b> (Non-Independent Non-Executive Director)	62	(1) SBS Transit Ltd* (2) ComfortDelGro Corporation Limited* (3) HealthServe Limited (4) Q.E.D. Law Corporation (5) Singapore Tyler Print Institute	Nil	(1) Q.E.D. Law Corporation (Managing Director)	Nil
<b>LEE SOK KOON</b> (Independent Non-Executive Director)	69	(1) SBS Transit Ltd* (2) Japan Foods Holding Ltd* (3) Lum Chang Holdings Ltd* (4) Mooreast Holdings Ltd* (5) NUS America Foundation, Inc.	(1) Invictus Group Pte Ltd (2) Singapore Arts School Ltd	NIL	(1) National University of Singapore (Director of Operations in the Development Office)
<b>LIM SEH CHUN</b> (Independent Non-Executive Director)	68	(1) SBS Transit Ltd* (2) Singapore School of Science and Technology	Nil	(1) Singapore University of Technology and Design (SUTD) (Associate Provost for Student Affairs)	Nil
<b>TAN KIM SIEW</b> (Independent Non-Executive Director)	69	(1) SBS Transit Ltd* (2) VICOM Ltd*	Nil	Nil	Nil
<b>YU CHING MAN</b> (Independent Non-Executive Director)	57	(1) E-Mobility Technology Limited	Nil	(1) Hong Kong Polytechnic University (Professor, Department of Aviation and Aeronautical Engineering)	(1) Singapore Institute of Technology (Professor and Programme Director in Sustainable Infrastructure Engineering (Land Transport) and Sustainable Infrastructure Engineering (Building Services))

\* Listed Company



**We are committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. Our Investor Relations (IR) programme balances regular, effective and fair communications with Shareholders and the investment community with the need to safeguard commercial sensitivities. The IR team works closely with Senior Management to proactively carry out this engagement programme. Feedback and views gathered are regularly reported to Senior Management and the Board of Directors.**

#### **PROACTIVE COMMUNICATIONS**

During the year, the IR team addressed queries from investors through emails, telephone calls and the online enquiry form.

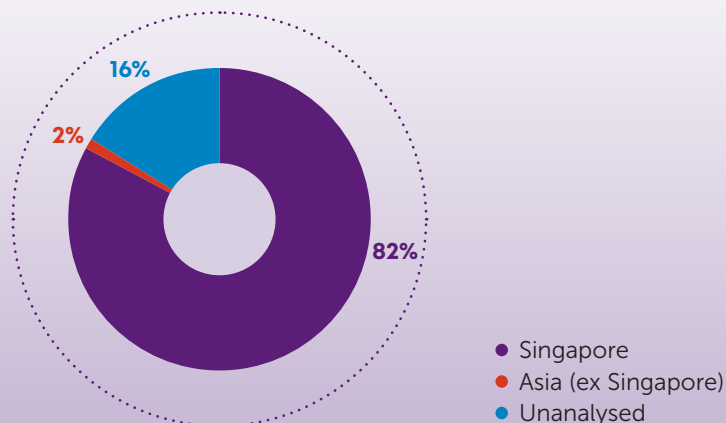
Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore Exchange.

All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

#### **SINGAPORE-CENTRIC SHAREHOLDER BASE**

Our shareholder base consists mainly of institutional and retail investors based in Singapore and Asia with ComfortDelGro Corporation holding a majority stake.

#### **2022 SHAREHOLDING**



**SBS Transit's Risk Management Framework provides a systematic process for the Businesses to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. The Group is committed to enhancing shareholder value through growth that is sustainable and profitable, while taking measured and well-considered risks.**

The Group's approach to risk management is underpinned by several key principles:

- The risk management process is a continuous and iterative one, as the Group's businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote and inculcate risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the Group.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the risk owners. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

Following the broader re-opening of Singapore in April 2022, the labour market continues to be tight in all industries albeit a slowdown towards end 2022. The on-going war between Russia and Ukraine has triggered a costly humanitarian crisis and economic slowdown globally. Inflation pressures have been exacerbated, causing energy and other prices to remain high. There were reports warning the potential threat of cyber-attacks by Russia, albeit not being the target of an attack but could potentially be caught in the unintended collateral damage. The proliferation of hybrid work arrangements with increased use of information technology tools proffered greater propensity for cybersecurity breaches. These key emerging risks were reviewed and mitigated.

Amidst the challenges resulting from inflation, we refreshed risk inventories, conducted risk prioritisation

exercises, identified key and emerging risks, and developed the requisite risk controls and risk treatment action plans. The identified risks with their indicators and action plans are continually reviewed and reported. For example, measures to minimise the manpower availability risk were reviewed and strengthened. Various initiatives including salary adjustments were carried out to reduce the attrition and to attract more to join the company. This enables us to assess and better manage our business and operational risks, and explore opportunities in the uncertain and volatile environment.

In recognition of our robust Risk Management Framework, SBS Transit won two top Singapore Corporate Awards for companies with S\$300 million to less than S\$1 billion in Market Capitalisation - Best Managed Board (Gold) and Best Risk Management (Gold).

The SBS Transit Risk Steering Committee (RSC) at the Group level works closely with all Businesses to ensure that risk management is taken seriously, and that the Risk Management Framework is diligently implemented across the Group. The Group CEO chairs the RSC, and members are drawn from major Businesses/ Departments Heads. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board half-yearly. The key risks faced by the Group, the relevant mitigating factors and how they are managed are set out in the paragraphs below.

## **FINANCIAL RISKS**

The Group has established internal control systems to safeguard its assets and regularly reviews the effectiveness of these controls to improve and fortify financial discipline. All policies and procedures on financial matters, including approval limits and authority, are clearly defined in the Group's Financial Procedures Manual.

## **FINANCIAL AUTHORITY LIMITS**

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, bus/rail tenders, and disposal and write-off of assets. These authority limits are delegated based on

the organisational hierarchy from the Board down to the Group CEO and the Heads of Business/Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval. To ensure that the Group's assets continue to be managed prudently, the Board periodically reviews the mandate that it delegates to Management.

**BUDGETARY CONTROL**

A robust and comprehensive Annual Budget is prepared and approved by the Board prior to the commencement of each financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis. The capital expenditure budget is approved in-principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Specific approvals must be sought for unbudgeted expenditures. Tight control on manpower is exercised through the headcount budget.

**ECONOMIC CYCLE**

Changes in economic conditions may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We also monitor demand trends, cost structures and operating margins closely. Expenses are

managed in the light of revenue patterns and changing market conditions. Where possible, revenue risks are mitigated by diversifying revenue streams to non-fare sources. A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 88 to 125.

**OPERATIONAL RISKS**

Operational risks may arise from failures in internal controls, operational processes or the supporting systems. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a rigorous reporting framework to manage these risks.

**SAFETY AND SECURITY**

Managing the safety and security of our customers, tenants, staff and the public is the cornerstone of the Group's safety and security policy. We run safety awareness and training programmes to instil a safety and security conscious culture in our employees at all levels. Safety and security audits are conducted regularly to ensure that standards are maintained. The Group works closely with the relevant Authorities to ensure that the security of our bus and train services and facilities are not compromised. Drills and exercises are conducted regularly, both internally and jointly with external agencies. Besides patrolling guards, fence intrusion detection



**BEST MANAGED BOARD  
GOLD AWARD**

# RISK MANAGEMENT



## BEST RISK MANAGEMENT GOLD AWARD

systems and other security features are installed at all our operating facilities. Members of the public, staff and tenants are encouraged to look out for suspicious objects or persons.

### ENVIRONMENTAL

The Group is committed to being a socially responsible organisation through minimising the impact our business activities have on the environment. Our operations, accidents and natural events can result in pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and that preventive measures are put in place. We comply with all relevant regulations. Ways in which the Group works to protect the environment can be found in our Sustainability Report.

### MANPOWER

The Group's ability to develop and grow the business depends on the quality of its employees, and we are committed to invest in building its resource pool. We have in place various programmes and processes that focus on several key areas, including talent management, building management bench strength, succession planning, performance management, compensation and benefits, training and development and employee conduct and supervision. We ensure that our employees

are selected and promoted based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. We ensure that all policies, processes, terms and conditions of employment, including those relating to foreign labour force, are in compliance with the relevant regulations.

### PROPERTY AND LIABILITY

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with our sister company, ComfortDelGro Insurance Brokers Pte Ltd. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

### BUSINESS CONTINUITY

We have put in place Business Continuity Plans (BCPs) to mitigate the risks of disruption and catastrophic loss to our operations, people, information databases and other assets. Such risks can arise from adverse natural events like flooding, or from pandemic outbreaks. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business



functions, protection of our employees and customers, and recovery of information databases. We update and test the BCPs regularly. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs enhance the Group's operational readiness and resilience to potential business disruptions.

## **INFORMATION AND OPERATIONAL TECHNOLOGY RISKS**

Information and operational technology system failures and cyber risks are key risks for the Group since almost all the businesses rely heavily on technology. In particular, the operational technology systems of our Rail Business have been designated as Critical Information Infrastructure (CII), cyber security is of critical importance here. This can take the form of major system failures which can result in disruption of the business or a security breach of our information technology systems. Cyber security is about protecting information systems and data from unauthorised access, use, disclosure, disruption, modification or destruction. Our security management framework complies with the latest industry standards. We have put in place various types of controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and Cyber threats. Penetration tests are carried out regularly to test the systems, identify potential vulnerabilities and to strengthen the security hardening of our websites. Information security policies and procedures, including education for all staff, are reviewed and enhanced regularly.

## **COMPLIANCE RISKS**

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in Singapore. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory Authorities. We work closely with the Land Transport Authority, as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations effectively to ensure that standards are met, thereby reducing significantly the risk of penalty.

## **STRATEGIC RISKS**

We continually review our business strategy to ensure that we remain a relevant and significant player in the public transport market by participating in competitive public transportation tenders. SBS Transit's strategic risks include (1) competition - how we can/must defend and/or win public transport tenders, and (2) changes in government

policies - how we build resilience by pro-actively engaging the Authorities to realise objectives articulated in the Land Transport Master Plan 2040.

## **AUDIT PROCESS**

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. In the course of their audits, the Internal and External Auditors will highlight to the Management and the Audit and Risk Committee the areas where there are material deficiencies, non-compliance weaknesses or where there are occurrences or potential occurrence of significant risk events. The auditors will also propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of its system of internal controls, and the implementation status is reported to the Audit and Risk Committee.

## **CODE OF BUSINESS CONDUCT**

The Group has adopted a Code of Business Conduct which sets out the principles and policies upon which businesses are conducted. The Code of Business Conduct includes the anti-corruption and anti-bribery policies that stress on zero tolerance on fraud, improper use of monetary favours, gifts or entertainment. In addition, employees should not put themselves in a position of conflict of interest with the Group. If there is a potential conflict of interest, employees should declare to their immediate supervisors and recuse themselves from the decision process. The annual Code of Business Conduct declaration has been rolled out through e-learning portal. Employees are required to go through e-learning topics to refresh the requirements and take a quiz with perfect score before they are allowed to submit their declarations.

## **WHISTLEBLOWING POLICY**

The Whistleblowing Policy is to provide a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisal within the limits of the law. Employees are given a Group Handbook detailing how they can go about raising their concerns. Incidents can also be reported via a direct Intranet link to the Chairperson of the Audit and Risk Committee and/or the ComfortDelGro Group Chief Internal Audit Officer. All cases are investigated and overseen by ComfortDelGro Group Internal Audit, and dealt with promptly and thoroughly. The number of whistleblowing cases regardless of significance will be registered by the ComfortDelGro Group Chief Internal Audit Officer, and will be reported to the Audit and Risk Committee quarterly.

# FINANCIAL CALENDAR

## 2021

Announcement of 2020 Full Year Results	9 February 2021
Annual General Meeting	29 April 2021
Payment of 2020 Final Dividend (6.30 cents/share)	19 May 2021
Announcement of 2021 Half Year Results	12 August 2021
Payment of 2021 Interim Dividend (5.75 cents/share)	1 September 2021

## 2022

Announcement of 2021 Full Year Results	23 February 2022
Annual General Meeting	28 April 2022
Payment of 2021 Final Dividend (2.45 cents/share)	26 May 2022
Announcement of 2022 Half Year Results	10 August 2022
Payment of 2022 Interim Dividend (5.45 cents/share)	25 August 2022

## 2023

Announcement of 2022 Full Year Results	22 February 2023
Annual General Meeting	27 April 2023
Payment of 2022 Final Dividend (5.45 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	16 May 2023
Announcement of 2023 Half Year Results	14 August 2023*

\* Provisional – Updates will be posted on [www.sbstransit.com.sg](http://www.sbstransit.com.sg)

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# DIRECTORS' STATEMENT

The Directors present their annual statement together with the audited Consolidated Financial Statements of the Group and Statement of Financial Position and Statement of Changes in Equity of the Company for the financial year ended 31 December 2022.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 82 to 125 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Tan Beng Hai	(Chairman)
Cheng Siak Kian	(Deputy Chairman)
Sim Vee Ming	(Group Chief Executive Officer) (Appointed on 1 January 2023)
Desmond Choo Pey Ching	
Chua Mui Hoong	
Susan Kong Yim Pui	
Lee Sok Koon	
Lim Seh Chun	
Lim Tien Hock	(Appointed on 28 April 2022)
Tan Kim Siew	
Yu Ching Man	

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.



# DIRECTORS' STATEMENT

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

### Interest in the Company

- (a) Unvested performance share awards under the SBS Executive Share Scheme

	Number of unvested share held by Directors	
	At 1 January 2022 or date of appointment, if later	At 31 December 2022
Cheng Siak Kian	–	30,000
Sim Vee Ming	–	25,000

	Shareholdings registered in the name of Directors		
	At 1 January 2022 or date of appointment, if later	At 31 December 2022	At 21 January 2023

### Interest in ultimate holding company, ComfortDelGro Corporation Limited

- (a) Ordinary shares

Cheng Siak Kian	16,250	37,500	37,500
Sim Vee Ming	16,250	28,750	28,750
Lim Tien Hock	73,500	91,000	91,000
Yang Ban Seng	399,668	See Note 1	See Note 1
Yang Ban Seng (Deemed interest)	18,185	See Note 1	See Note 1

Note 1: Mr Yang Ban Seng retired on 28 April 2022.

- (b) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme

	Number of unvested share held by Directors	
	At 1 January 2022 or date of appointment, if later	At 31 December 2022
Cheng Siak Kian	68,750	127,500
Sim Vee Ming	38,750	26,250
Lim Tien Hock	57,500	80,000
Yang Ban Seng	362,500	See Note 1

Note 1: Mr Yang Ban Seng retired on 28 April 2022.

# DIRECTORS' STATEMENT

## 4 SHARE AWARDS AND SHARE OPTIONS

- (a) The Company obtained Shareholders' approval at its Annual General Meeting held on 29 April 2021 to implement the SBS Executive Share Scheme ("SBS ESS") for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group. The SBS ESS is administered by Nominating and Remuneration Committee ("the Committee") comprising Mr Tan Beng Hai (Chairman), Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, Ms Susan Kong Yim Pui, Professor Lim Seh Chun and Dr Tan Kim Siew.
- (b) Under the SBS ESS, the shares are granted conditional upon performance targets met and have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.
- (c) The Board and the Committee believe that the SBS ESS will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.
- (d) During the financial year, the Company granted the first tranche of share awards of 411,000 (2021 : NIL) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 30,000 (2021 : NIL) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian and 25,000 (2021 : NIL) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming. These are time-based awards to be vested over a 4-year period.
- (e) No participants to the SBS ESS are controlling shareholders of the Company and their associates.
- (f) Since the adoption of the SBS ESS, a total of 411,000 (2021 : NIL) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

Date of grant	Number of share awards			Balance at 31 December 2022
	Balance at 1 January 2022	Granted	Lapsed	
12 July 2022	–	411,000	7,500	403,500

- (g) Details of the share awards since the commencement of the SBS ESS were as follows:

Director	Aggregate share awards granted since the commencement to 31 December 2022	Aggregate share awards vested since the commencement to 31 December 2022	Aggregate share awards outstanding at 31 December 2022
Cheng Siak Kian	30,000	–	30,000
Sim Vee Ming	25,000	–	25,000

- (h) During the financial year, no options to take up unissued shares of the Company were granted. There were also no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company under options.

# DIRECTORS' STATEMENT

## 5 AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors as follows:

Lee Sok Koon	(Chairman)
Cheng Siak Kian	(Appointed on 1 January 2023)
Desmond Choo Pey Ching	
Chua Mui Hoong	
Susan Kong Yim Pui	(Appointed on 28 April 2022)
Tan Kim Siew	

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967 and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times and two times respectively during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

The Audit and Risk Committee has full access to and has the co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

As Deloitte & Touche LLP would not be seeking re-appointment, the Audit and Risk Committee has recommended to the Board of Directors that Ernst & Young LLP be nominated for appointment as auditors of the Company at the forthcoming Annual General Meeting.

## 6 AUDITORS

The retiring auditors, Deloitte & Touche LLP would not be seeking re-appointment. Accordingly, Ernst & Young LLP would be nominated as auditors at the forthcoming Annual General Meeting of the Company.

ON BEHALF OF THE DIRECTORS

Tan Beng Hai  
Chairman

Sim Vee Ming  
Group Chief Executive Officer

Singapore  
22 February 2023

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Financial Statements of SBS Transit Ltd (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2022, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and the Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 82 to 125.

In our opinion, the accompanying Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Provision for rail contract

On 11 November 2021, the Company entered into a framework agreement with the Land Transport Authority of Singapore ("LTA") and SBS Transit DTL Pte. Ltd. to transit the Downtown Line ("DTL") to the second version of the New Rail Financing Framework Version 2 ("NRFF (Version 2)"). North East Line ("NEL") and Sengkang Punggol Light Rail Transit System ("SPLRT") are already on NRFF Version 2 since 2018. As part of the framework agreement, the LTA has issued a consolidated rail licence to SBS Transit Ltd's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence").

As disclosed in Note 3 to the Financial Statements, in projecting the future financial performance of the Consolidated Rail Licence, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, after taking into consideration the ridership patterns and fare adjustments.

Our audit procedures focused on evaluating the areas of significant judgement made by Management in their projection of the future financial performance of the DTL, NEL and SPLRT after considering the new terms under the Consolidated Rail Licence.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### Key Audit Matters (cont'd)

(a) Provision for rail contract (cont'd)

We obtained and read the framework agreement and certain key correspondences between the Authorities and the Group. We discussed with Management on the areas of significant judgement in their projection of the future financial performance of the DTL, NEL and SPLRT. We obtained the projected future financial performance of the DTL, NEL and SPLRT up to the end of the licence period and challenged key assumptions made by Management, including reviewing relevant corroborative documentation of ridership projection, projected future fare adjustments and availability of grants from the Authorities.

We have assessed the adequacy and appropriateness of the related disclosures in the Financial Statements.

(b) Valuation and Completeness of Provision for Accident Claims

The valuation and completeness of provision for settlement of accident claims (Note 16) involves estimation uncertainty and judgment (Note 3). In determining the provision for accident claims as at 31 December 2022, Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics.

Our audit procedures included understanding the process used to determine the provision for accident claims. We independently evaluated the reasonableness of Management's basis and the key estimates and assumptions used in the provision estimated by Management, including reviewing the number of claims lodged, recent settlements, third party settlement data and accident claims statistics.

We have assessed the adequacy and appropriateness of the related disclosures in the Financial Statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor's report thereon. The Directors' Statement was obtained prior to the date of this auditor's report and the remaining other information included in the annual report is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Financial Statements and to maintain accountability of assets.

In preparing the Financial Statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yang Chi Chih.

### **DELOITTE & TOUCHE LLP**

Public Accountants and  
Chartered Accountants

Singapore  
22 February 2023

# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Short-term deposits and bank balances	5	345,304	204,034	342,498	201,974
Trade and other receivables	6	261,132	253,372	184,930	490,545
Inventories	7	102,649	101,482	16,290	73,340
<b>Total current assets</b>		<b>709,085</b>	<b>558,888</b>	<b>543,718</b>	<b>765,859</b>
<b>Non-current assets</b>					
Subsidiaries	8	–	–	100,002	100,000
Prepayments	9	492	4,605	248	4,538
Due from subsidiaries	6	–	–	350,565	–
Net investment on sublease		–	28	–	28
Vehicles, premises and equipment	10	480,867	563,200	435,048	537,610
Deferred tax assets	11	20,750	27,065	–	–
<b>Total non-current assets</b>		<b>502,109</b>	<b>594,898</b>	<b>885,863</b>	<b>642,176</b>
<b>Total assets</b>		<b>1,211,194</b>	<b>1,153,786</b>	<b>1,429,581</b>	<b>1,408,035</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Lease liabilities	12	11,116	11,131	11,116	11,131
Trade and other payables	13	333,800	298,567	236,807	240,620
Deposits received	14	4,655	3,766	2,593	2,657
Provisions	16	16,465	16,075	13,213	16,075
Fuel price equalisation account		19,992	19,992	19,992	19,992
Income tax payable		36,259	33,879	36,259	33,879
<b>Total current liabilities</b>		<b>422,287</b>	<b>383,410</b>	<b>319,980</b>	<b>324,354</b>
<b>Non-current liabilities</b>					
Lease liabilities	12	68,005	80,481	68,005	80,481
Deferred grants	15	4,349	4,772	4,104	4,772
Deposits received	14	6,862	7,284	1,905	5,475
Deferred tax liabilities	11	28,651	44,619	28,651	44,619
Provisions	16	16,757	11,663	13,649	11,081
Fuel price equalisation account		19,992	19,992	18,892	19,992
<b>Total non-current liabilities</b>		<b>144,616</b>	<b>168,811</b>	<b>135,206</b>	<b>166,420</b>
<b>Total liabilities</b>		<b>566,903</b>	<b>552,221</b>	<b>455,186</b>	<b>490,774</b>
<b>Capital and reserves</b>					
Share capital	17	100,499	100,499	100,499	100,499
Other reserves	18	40,072	40,749	40,444	40,501
Accumulated profits		503,720	460,317	833,452	776,261
<b>Total equity</b>		<b>644,291</b>	<b>601,565</b>	<b>974,395</b>	<b>917,261</b>
<b>Total liabilities and equity</b>		<b>1,211,194</b>	<b>1,153,786</b>	<b>1,429,581</b>	<b>1,408,035</b>



# GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2022

	Note	The Group	
		2022 \$'000	2021 \$'000
<b>Revenue</b>	19	1,515,311	1,310,842
Staff costs	20	(735,928)	(625,554)
Repairs and maintenance costs		(206,558)	(204,404)
Fuel and electricity costs		(259,288)	(148,703)
Premises costs		(56,226)	(47,063)
Depreciation expense	10	(93,991)	(105,340)
Other operating costs		(83,412)	(126,224)
Total operating costs		(1,435,403)	(1,257,288)
<b>Operating profit</b>	21	79,908	53,554
Interest income	22	4,524	291
Finance costs	23	(1,473)	(1,339)
<b>Profit before taxation</b>		82,959	52,506
Tax expense	24	(14,937)	(872)
<b>Profit attributable to shareholders</b>		68,022	51,634
Earnings per share (in cents):			
Basic	25	21.81	16.56
Diluted	25	21.81	16.56

See accompanying notes to the Financial Statements.

# GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2022

	The Group	
	2022 \$'000	2021 \$'000
<b>Profit attributable to shareholders</b>	68,022	51,634
<i>Items that may be reclassified subsequently to Profit or Loss:</i>		
Fair value adjustment on cash flow hedges (Note 18)	(997)	484
<b>Total comprehensive income for the year attributable to shareholders of the Company</b>	<b>67,025</b>	<b>52,118</b>

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	The Group			
	Attributable to shareholders of the Company			
	Share capital (Note 17) \$'000	Other reserves (Note 18) \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2021	100,499	40,265	446,262	587,026
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	51,634	51,634
Other comprehensive income for the year	–	484	–	484
<b>Total</b>	<b>–</b>	<b>484</b>	<b>51,634</b>	<b>52,118</b>
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(37,579)	(37,579)
<b>Total</b>	<b>–</b>	<b>–</b>	<b>(37,579)</b>	<b>(37,579)</b>
Balance at 31 December 2021	100,499	40,749	460,317	601,565
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	68,022	68,022
Other comprehensive expense for the year	–	(997)	–	(997)
<b>Total</b>	<b>–</b>	<b>(997)</b>	<b>68,022</b>	<b>67,025</b>
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(24,637)	(24,637)
Recognition of share-based payment	–	320	–	320
Other reserves	–	–	18	18
<b>Total</b>	<b>–</b>	<b>320</b>	<b>(24,619)</b>	<b>(24,299)</b>
<b>Balance at 31 December 2022</b>	<b>100,499</b>	<b>40,072</b>	<b>503,720</b>	<b>644,291</b>

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	The Company			
	Share capital (Note 17) \$'000	Other reserves (Note 18) \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2021	100,499	40,265	710,747	851,511
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	103,093	103,093
Other comprehensive income for the year	–	236	–	236
<b>Total</b>	<b>–</b>	<b>236</b>	<b>103,093</b>	<b>103,329</b>
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(37,579)	(37,579)
<b>Total</b>	<b>–</b>	<b>–</b>	<b>(37,579)</b>	<b>(37,579)</b>
Balance at 31 December 2021	100,499	40,501	776,261	917,261
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	81,810	81,810
Other comprehensive expense for the year	–	(236)	–	(236)
<b>Total</b>	<b>–</b>	<b>(236)</b>	<b>81,810</b>	<b>81,574</b>
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(24,637)	(24,637)
Recognition of share-based payment	–	179	–	179
Other reserves	–	–	18	18
<b>Total</b>	<b>–</b>	<b>179</b>	<b>(24,619)</b>	<b>(24,440)</b>
<b>Balance at 31 December 2022</b>	<b>100,499</b>	<b>40,444</b>	<b>833,452</b>	<b>974,395</b>

See accompanying notes to the Financial Statements.



# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2022

	The Group	
	2022 \$'000	2021 \$'000
<b>Operating activities</b>		
Profit before taxation	82,959	52,506
Adjustments for:		
Depreciation expense	93,991	105,340
Finance costs	1,473	1,339
Net (gain) loss on disposal of vehicles and equipment	(357)	15,812
Interest income	(4,524)	(291)
Provisions	9,695	567
Allowance for inventory obsolescence	11,027	6,950
Allowance (write-back) for expected credit losses	4	(344)
Share-based payment expense	320	–
Operating cash flows before movements in working capital	194,588	181,879
Trade and other receivables	(6,995)	37,662
Inventories	(12,194)	3,548
Trade and other payables	34,651	48,412
Deferred grants	(423)	(25,113)
Deposits received	467	1,317
Utilisation of provisions	(4,211)	(4,799)
Receipt from net investment on sublease	163	159
Cash generated from operations	206,046	243,065
Income tax paid	(22,006)	(17,423)
Interest paid arising from leases	(1,473)	(1,300)
Net cash from operating activities	182,567	224,342
<b>Investing activities</b>		
Interest received	3,001	281
Proceeds from disposal of vehicles and equipment	1,410	280
Purchase of vehicles, premises and equipment	(10,682)	(33,098)
Net cash used in investing activities	(6,271)	(32,537)
<b>Financing activities</b>		
New loans raised	–	4,000
Repayment of borrowings	–	(29,000)
Payments under lease liabilities	(10,407)	(10,701)
Interest paid	–	(51)
Dividends paid	(24,637)	(37,579)
Others	18	–
Net cash used in financing activities	(35,026)	(73,331)
Net increase in cash and cash equivalents	141,270	118,474
Cash and cash equivalents at beginning of year	204,034	85,560
<b>Cash and cash equivalents at end of year (Note 5)</b>	<b>345,304</b>	<b>204,034</b>

See accompanying notes to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 1 GENERAL

The Company (Registration No. 199206653M) is incorporated in Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of the provision of public transport services, namely bus and rail services. Prior to 1 January 2022, the operations of the North-East Mass Rapid Transit System ("NEL"), Sengkang Light Rapid Transit System and the Punggol Light Rapid Transit System ("SPLRT") were operating under the Company. These have since been transferred to the wholly-owned subsidiary, SBS Transit Rail Pte. Ltd. on 1 January 2022, in line with the transition to the New Rail Financing Framework (Version 2).

The principal activities of the subsidiaries are described in Note 8 to the Financial Statements.

The Financial Statements are expressed in Singapore dollars and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2022 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2022 were authorised for issue by the Board of Directors on 22 February 2023.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** – The Financial Statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

**ADOPTION OF NEW AND REVISED STANDARDS** – On 1 January 2022, the Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective from that date. The adoption of these new/revised SFRS(I)s does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED** – The Group has not applied the following accounting standards that are relevant to the Group and have been issued as at the end of the reporting period but not yet effective:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-Current* <sup>(1)</sup>
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* <sup>(1)</sup>
- Annual Improvements to SFRS(I) 1-8 *Definition of Accounting Estimates* <sup>(1)</sup>
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a single transaction* <sup>(1)</sup>
- Amendments to SFRS(I) 17 *Initial Application of SFRS(I) 17 and SFRS(I) 9: Comparative Information* <sup>(1)</sup>

<sup>(1)</sup> Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods will not have a material impact on the Financial Statements of the Group in the period of their initial adoption.

**BASIS OF CONSOLIDATION** – The Consolidated Financial Statements incorporate the Financial Statements of the Company and an entity controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Income Statement and Group Comprehensive Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the Financial Statements of the subsidiary to bring its accounting policies in line with those consistently used by the Group.

Changes in the Group's ownership interests in the subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Statement of Financial Position of the Company, investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**FINANCIAL INSTRUMENTS** – Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Profit or Loss.

### **Financial assets**

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

#### Impairment of financial assets

The Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments* for trade receivables. The expected credit losses ("ECL") on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Impairment of financial assets (cont'd)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss.

## **Financial liabilities and equity instruments**

### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

### Hedging instruments and hedge accounting

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The Group uses hedging instruments such as forwards and options, to manage these risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 29).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Hedging instruments and hedge accounting (cont'd)

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Profit or Loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in Profit or Loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of hedging instrument is classified as a non-current asset or a non-current liability if the maturity of the hedge relationship exceeds 12 months and as a current asset or current liability if the maturity of the hedge relationship is within 12 months.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Hedges of both foreign currency risk and fuel price risk for future purchases of goods are designated as cash flow hedges.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 29 (c) contains details of the fair values of the hedging instruments.

#### (a) Fair value hedge

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

#### (b) Cash flow hedge

The effective portion of changes in fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss when the hedged item is realised.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Leases

#### The Group as lessor

The Group enters into lease agreements as a lessor with respect to its property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### The Group as lessee (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented within vehicles, premises and equipment in the Statements of Financial Position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

**INVENTORIES** – Inventories are stated at cost less allowance for inventory obsolescence. Allowance is made for obsolete, slow-moving and defective inventories based on Management's estimates and judgement, taking into consideration inventories' physical and market conditions, inventory turnover, etc.

Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**VEHICLES, PREMISES AND EQUIPMENT** – Vehicles, premises and equipment are stated at cost less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are available for use.

Depreciation is charged so as to write off the cost of the assets, other than capital projects in progress, over the estimated useful lives using the straight-line method, on the following bases:

	<u>Number of years</u>
Buses and bus accessories	5 to 17
Leasehold land and buildings (including leasehold improvements)	Over the remaining lease period
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment	3 to 7
Motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the period of the bus contracts.

The gain or loss arising on disposal or retirement of an item of vehicles, premises and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment are retained in the Financial Statements until they are no longer in use.

**IMPAIRMENT OF NON-FINANCIAL ASSETS** – At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets, if any, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in Profit or Loss.

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of a provision for impairment is recognised immediately in Profit or Loss.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**FUEL PRICE EQUALISATION ACCOUNT** – Pursuant to Section 32 of the Public Transport Council Act 1987 (the “PTC Act”), a fuel price equalisation account (“FPEA”) has been set up to account for diesel price and electricity tariff adjustment charge for the purpose of mitigating the effects of any increase in fuel price and electricity tariff. Annual contributions to the FPEA may be required as determined by the Public Transport Council (“PTC”), based on the reference electricity tariff and diesel price for the year.

In accordance with Section 32 of the PTC Act, withdrawal of any sum of money from the FPEA must not be made without approval from the PTC. Applications can be made to the PTC to seek approval for a draw down as may be catered for by the purpose of the FPEA mechanism, provided that the amount drawn does not exceed half of the available FPEA balance.

**PROVISION FOR ACCIDENT CLAIMS** – Claims for accident, public liability and others are provided in the Financial Statements based on the claims outstanding and the estimated amounts payable.

**PROVISIONS** – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### Provision for reinstatement and maintenance costs

Provision for reinstatement costs to restore leased assets to their original condition, as required by the terms and conditions of the leases, is recognised when the obligation is incurred as a consequence of having used the underlying asset during a particular period of the lease, at Management’s best estimate of the expenditure that would be required to restore the assets. Provision for maintenance costs is recognised as required by the terms and conditions of the Consolidated Rail Licence agreement.

Estimates are regularly reviewed and adjusted as appropriate for new circumstances for the provision.

**DEFERRED INCOME** – Deferred income comprises advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

**SERVICE BENEFITS** – These comprise the following:

- (a) Retirement benefits – Under the Collective Agreement entered into by the Group with the Union, a retirement benefit subject to a maximum of \$3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management’s best estimate using historical trend.
- (b) Long service awards – Staff serving more than 5 years and up to 35 years are entitled to long service awards. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at end of the reporting year.

- (c) Apart from the retirement benefits described in (a) above, the Group participates in a defined contribution plan managed by the Singapore Government (“Singapore Central Provident Fund”). Payments made to the plan are charged as an expense when the employees have rendered the services entitling them to the contributions.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- (d) Employee leave entitlement – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting year.
- (e) Share-based payments – The Company issued share awards to certain employees and Directors within the Group. Share awards are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share awards are expensed on a straight-line basis over the vesting period with a corresponding adjustment against share awards reserve, based on the Company's estimate of the number of equity instruments that will eventually vest.

**GOVERNMENT GRANTS** – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statements of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Profit or Loss in the period in which they become receivable.

Government grants in relation to form of a transfer of a non-monetary asset, such as land or other resources, for the use of the Group, are recognised as both asset and grant at a nominal amount.

**REVENUE RECOGNITION** – The Group recognises revenue from the following sources:

- Transport services
- Lease revenue
- Other commercial services

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from transport services comes from the provision of bus and rail services to commuters travelling on public transport systems. Revenue from transport regulator for scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets. Revenue from commuters for rail services is recognised as and when services are rendered and revenue from transport regulator for rail services relates to performance incentives for achieving certain performance and service quality targets, and other rail services related income.

Lease revenue comprises leasing fees for the buses and other assets used in the provision of bus services under the Bus Contracting Model ("BCM"). Lease revenue is recognised upon completion of services.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**INCOME TAX** – Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions are not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising from investment in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in Profit or Loss, except when they relate to items credited or debited outside Profit or Loss (either in Other Comprehensive Income or directly in equity), in which case the tax is also recognised outside Profit or Loss (either in Other Comprehensive Income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

**FOREIGN CURRENCY TRANSACTIONS** – The individual Financial Statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

Transactions in currencies other than each Group entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Profit or Loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Profit or Loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

**CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT OF THE GROUP** – Cash and cash equivalents in the Cash Flow Statement of the Group comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

### ***Critical judgements in applying the Group's accounting policies***

The following are the critical judgements, apart from those involving estimates (see below), that Management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the Financial Statements:

#### Provision for rail contract

In projecting the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence as disclosed in Note 31, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities. Based on Management's assessment, no provision for rail contract is required.

### ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### 1. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

##### (a) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. Provision for claims is disclosed in Note 16 (a).

##### (b) Retirement benefits

Retirement benefits subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period of 2.93% to 3.73% (2021 : 0.66% to 1.93%) per annum and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend. Provision for retirement benefits is disclosed in Note 16 (b).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

1. Provisions (cont'd)

(c) Long service awards

Staff serving more than 5 years and up to 35 years are entitled to long service awards. Provision is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period of 2.93% to 3.73% (2021 : 0.66% to 1.93%) per annum and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend. Provision for long service awards is disclosed in Note 16 (b).

2. Allowance for inventory obsolescence

The Group's inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment.

In addition to identification of obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended, Management identifies inventories that are slow moving (i.e. stocks with no movement for 2 years and beyond) and evaluates the carrying value of inventories. An allowance for inventory obsolescence is recognised for these inventories based on Management's estimates and judgement, considering inventory turnover and market conditions.

Allowance for inventory obsolescence is disclosed in Note 7.

3. Useful lives of vehicles, premises and equipment

As described in Note 2, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting period. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required. The carrying amounts of the vehicles, premises and equipment are disclosed in Note 10.

## 4 HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

The Company's immediate and ultimate holding company is ComfortDelGro Corporation Limited, incorporated in Singapore.

Related companies in these Financial Statements refer to members of the ultimate holding company's group of companies.

Some of the Group's transactions and arrangements are with related parties and other members of the ultimate holding company's group of companies and the effects of these on the basis determined between the parties are reflected in these Financial Statements.

Related parties include associate or joint venture of a member of the ultimate holding company.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 4 HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS (CONT'D)

Intercompany and related party transactions during the financial year, other than those disclosed elsewhere in the notes to the Financial Statements are as follows:

	The Group	
	2022 \$'000	2021 \$'000
Purchases of inventories from a related company	29,127	27,956
Shared services charged from ultimate holding company	4,727	2,737
Corporate services charged from ultimate holding company	4,132	4,022
Rental expense from:		
Ultimate holding company	2,808	2,839
Related company	651	660
Purchase of goods and services from related companies	4,235	3,921
Sales of goods and services to:		
Ultimate holding company	(22)	(22)
Related companies	(1,594)	(1,045)
Transfer of computers and automated equipment to ultimate holding company	(385)	–
Rental income from related companies	(222)	(209)

The amounts outstanding are unsecured, interest-free and are repayable on demand, unless otherwise stated. No guarantees have been given or received.

No expense has been recognised in the financial year for bad and doubtful debts in respect of the amounts owed by related companies.

## 5 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Cash and bank balances	6,804	8,034	3,998	5,974
Fixed deposits	338,500	196,000	338,500	196,000
Total	345,304	204,034	342,498	201,974

Fixed deposits bear effective interest rate of 0.17% to 4.41% (2021 : 0.17% to 0.30%) per annum and for a tenure of approximately 12 days to 1.2 years (2021 : 20 to 86 days). The fixed deposits can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 6 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Trade receivables from:				
Related companies (Note 4)	6	–	–	–
Outside parties	111,095	124,013	102,864	122,240
Accrued income	44,107	55,421	1,107	29,106
	155,208	179,434	103,971	151,346
Allowance for expected credit losses	(58)	(50)	(21)	(38)
	155,150	179,384	103,950	151,308
Other receivables from:				
Ultimate holding company (Note 4)	24	25	24	25
Related companies (Note 4)	2,867	1,500	1,723	1,500
Subsidiaries (Note 4)	–	–	–	275,118
Outside parties	69,041	49,578	69,576	48,589
	71,932	51,103	71,323	325,232
Prepayments	28,116	17,755	6,441	11,130
Interest receivable	1,544	21	1,544	21
Staff advances	368	540	60	339
Security deposits from outside parties	1,118	1,305	1,089	1,288
Accrued income	2,810	3,038	429	1,000
Net investment on sublease	96	232	96	232
	105,984	73,994	80,982	339,242
Allowance for expected credit losses	(2)	(6)	(2)	(5)
	105,982	73,988	80,980	339,237
Total current trade and other receivables	261,132	253,372	184,930	490,545
Non-current other receivables due from subsidiaries (Note 4)	–	–	350,565	–
<b>Total</b>	<b>261,132</b>	<b>253,372</b>	<b>535,495</b>	<b>490,545</b>

The amounts outstanding are interest-free and the credit period ranges from 7 to 30 days (2021 : 7 to 30 days). Amounts due from related companies have been classified as non-current assets as the Group does not expect for repayment within 12 months after the reporting date.

The expected risks of default on trade and other receivables at the reporting date is insignificant as a majority of receivables is from LTA and from creditworthy parties where Management has assessed the credit risk to be low. For the remaining receivables, the concentration of credit risk is limited due to the customer base being large and unrelated. Management is of the view that there has not been a significant change in credit quality and the amounts are still considered recoverable. Receivables from LTA are classified as current as they are expected to be received within the Group's normal operating cycle.

An allowance has been made for estimated irrecoverable amounts of the Group of \$60,000 (2021 : \$56,000) and of the Company of \$23,000 (2021 : \$43,000) owing from outside parties. Allowance for expected credit losses recognised in Profit or Loss amounted to \$4,000 (2021 : Write-back of \$344,000) for Group and write-back of allowance amounted to \$20,000 (2021 : \$316,000) for Company.

This allowance is determined by reference to expected credit losses which incorporate forward looking estimates. There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for expected credit losses.

As at 1 January 2021, trade receivables and accrued income from contracts with customers amounted to \$199,000,000 (net of loss allowance of \$193,000) for the Group and \$174,000,000 for the Company (net of loss allowance of \$156,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 7 INVENTORIES

Inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment.

At the end of the reporting period, the inventories are stated net of allowance of \$39,579,000 (2021 : \$28,552,000) for the Group and \$593,000 (2021 : \$21,790,000) for the Company. The cost of inventories recognised as an expense includes \$11,027,000 (2021 : \$6,950,000) in respect of write-downs of inventories. The carrying amount of the Group's inventories is \$102,649,000 (2021 : \$101,482,000) and \$16,290,000 (2021 : \$73,340,000) for the Company.

## 8 SUBSIDIARIES

	The Company	
	31 December 2022 \$'000	31 December 2021 \$'000
Unquoted equity shares, at cost	100,002	100,000

Name of entity	Principal activity	Country of incorporation / operation	Company's effective interest		Cost of investment	
			31 December 2022 %	31 December 2021 %	31 December 2022 \$'000	31 December 2021 \$'000
SBS Transit Rail Pte. Ltd. <sup>(1)</sup>	Operation and maintenance of DTL, NEL and SPLRT	Singapore	100	100	100,000	100,000
SBS Transit Mobility Pte. Ltd. <sup>(2)</sup>	Provision of supporting services to land transport industry	Singapore	100	–	2	–

(1) Audited by Deloitte & Touche LLP, Singapore

(2) Dormant and newly incorporated

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations.

## 9 PREPAYMENTS

Prepayments pertain to downpayments for the purchase of vehicles, premises and equipment.

## 10 VEHICLES, PREMISES AND EQUIPMENT

		The Group		The Company	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Vehicles, premises and equipment owned	(a)	405,184	473,100	359,365	447,510
Right-of-use assets classified within vehicles, premises and equipment	(b)	75,683	90,100	75,683	90,100
Net carrying amount		480,867	563,200	435,048	537,610

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned

	Buses \$'000	Leasehold building <sup>(a)</sup> \$'000	Leasehold improve- ments \$'000	Computers and automated equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Capital projects in progress \$'000	Total \$'000
<b>The Group</b>									
<b>Cost or valuation:</b>									
At 1 January 2021	1,118,564	46,681	57,133	29,215	57,534	9,661	22,427	7,817	1,349,032
Additions	1	253	12,176	2,757	7,911	128	676	11,049	34,951
Disposals	(153,808)	–	(2,341)	(1,403)	(2,387)	(658)	(1,818)	–	(162,415)
Reclassification	7,679	–	382	3,762	2,211	–	–	(14,034)	–
At 31 December 2021	972,436	46,934	67,350	34,331	65,269	9,131	21,285	4,832	1,221,568
Additions	–	–	827	2,458	2,984	911	487	7,128	14,795
Disposals	(2,013)	–	(868)	(766)	(5,689)	(476)	(2,222)	–	(12,034)
Reclassification	43	(253)	708	1,069	1,989	–	583	(4,139)	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to related companies	–	–	–	(693)	–	–	–	–	(693)
At 31 December 2022	970,466	46,681	68,017	36,399	64,423	9,566	20,133	7,821	1,223,506
<b>Accumulated depreciation:</b>									
At 1 January 2021	663,552	14,827	40,960	21,920	37,089	6,412	15,710	–	800,470
Depreciation	71,229	3,474	4,711	6,956	5,236	942	1,770	–	94,318
Disposals	(137,892)	–	(2,341)	(1,293)	(2,373)	(639)	(1,782)	–	(146,320)
At 31 December 2021	596,889	18,301	43,330	27,583	39,952	6,715	15,698	–	748,468
Depreciation	58,896	3,455	5,673	5,061	6,070	860	1,643	–	81,658
Disposals	(1,443)	–	(868)	(766)	(5,662)	(474)	(2,153)	–	(11,366)
Reclassification	–	(20)	20	4	(3)	(1)	–	–	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to related companies	–	–	–	(308)	–	–	–	–	(308)
At 31 December 2022	654,342	21,736	48,155	31,574	40,227	7,100	15,188	–	818,322
<b>Carrying amount:</b>									
At 31 December 2022	316,124	24,945	19,862	4,825	24,196	2,466	4,945	7,821	405,184
At 31 December 2021	375,547	28,633	24,020	6,748	25,317	2,416	5,587	4,832	473,100

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned (cont'd)

	Buses \$'000	Leasehold building <sup>(N1)</sup> \$'000	Leasehold improve- ments \$'000	Computers and automated equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Capital projects in progress \$'000	Total \$'000
<b>The Company</b>									
<b>Cost or valuation:</b>									
At 1 January 2021	1,118,564	46,681	39,722	25,375	50,563	7,178	20,124	7,491	1,315,698
Additions	1	253	570	2,248	7,224	106	548	10,514	21,464
Disposals	(153,808)	-	(2,341)	(1,306)	(2,340)	(658)	(1,807)	-	(162,260)
Reclassification	7,679	-	382	3,747	2,211	-	-	(14,019)	-
Transfer to subsidiary	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2021	972,436	46,934	38,333	30,062	57,658	6,626	18,865	3,986	1,174,900
Additions	-	-	3	1,226	1,671	-	297	7,425	10,622
Disposals	(2,013)	-	(868)	(635)	(5,645)	(476)	(2,152)	-	(11,789)
Reclassification	43	(253)	708	272	1,558	-	580	(2,908)	-
Transfer to ultimate holding company	-	-	-	-	(130)	-	-	-	(130)
Transfer to subsidiary (Note 31)	-	-	(8,038)	(4,502)	(28,895)	(2,904)	(2,124)	(1,836)	(48,299)
Transfer to related companies	-	-	-	(693)	-	-	-	-	(693)
At 31 December 2022	970,466	46,681	30,138	25,730	26,217	3,246	15,466	6,667	1,124,611
<b>Accumulated depreciation:</b>									
At 1 January 2021	663,552	14,827	35,030	18,965	33,242	4,668	14,310	-	784,594
Depreciation	71,229	3,474	1,373	6,383	4,339	701	1,469	-	88,968
Disposals	(137,892)	-	(2,341)	(1,199)	(2,328)	(639)	(1,772)	-	(146,171)
Transfer to subsidiary	-	-	-	(1)	-	-	-	-	(1)
At 31 December 2021	596,889	18,301	34,062	24,148	35,253	4,730	14,007	-	727,390
Depreciation	58,896	3,455	708	3,183	1,732	322	1,053	-	69,349
Disposals	(1,443)	-	(868)	(634)	(5,634)	(474)	(2,104)	-	(11,157)
Reclassification	-	(20)	20	4	(3)	-	(1)	-	-
Transfer to ultimate holding company	-	-	-	-	(130)	-	-	-	(130)
Transfer to subsidiary (Note 31)	-	-	(5,024)	(2,824)	(9,110)	(1,966)	(974)	-	(19,898)
Transfer to related companies	-	-	-	(308)	-	-	-	-	(308)
At 31 December 2022	654,342	21,736	28,898	23,569	22,108	2,612	11,981	-	765,246
<b>Carrying amount:</b>									
At 31 December 2022	316,124	24,945	1,240	2,161	4,109	634	3,485	6,667	359,365
At 31 December 2021	375,547	28,633	4,271	5,914	22,405	1,896	4,858	3,986	447,510

<sup>(N1)</sup> : The Group's leasehold building at Soon Lee bus depot are stated at their revalued amounts (Note 18) being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done pursuant to the agreement in the Negotiated Contract under the BCM (Note 32). As at 31 December 2022, the carrying amount of the Group's leasehold building at Soon Lee bus depot would have been \$8,513,000 (2021 : \$9,703,000), had the leasehold building been carried at cost less accumulated depreciation.

On 13 June 2022, the Company signed an agreement with the Land Transport Authority on the sale and transfer of Soon Lee bus depot in 2024. The bus depot will be sold at the carrying value upon transfer in 2024, subsequent to a series of renovations and maintenance works to be completed before the handover date in 2024.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned (cont'd)

Details of leasehold land and building owned by the Group and the Company are as follows:

Location	Approximate land area	Tenure	Usage
No. 28 Soon Lee Road Singapore	26,670 sq m	30 years from 1 April 2000 (7 years 3 months unexpired)	Bus depot

Details of bus depots are as follows:

Location	Approximate land area	Tenure	Usage
No. 550 Bukit Batok Street 23 Singapore	52,189 sq m	43 years from 1 January 1983 (3 years unexpired)	Bus depot
No. 4 Defu Ave 1 Singapore	45,190 sq m	43 years from 1 January 1983 (3 years 11 months unexpired)	Bus depot
No. 1470 Bedok North Ave 4 Singapore	62,220 sq m	Under Temporary Occupation Licence	Bus depot
No. 15 Ang Mo Kio Street 63 Singapore	63,955 sq m	30 years 9 months from 1 March 1994 (1 year 11 months unexpired)	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

- (b) Right-of-use assets classified within vehicles, premises and equipment

The Group leases several leasehold land and buildings at an average lease term of 11 years (2021 : 11 years), where the Group make periodic payments which are used for its day to day bus operations. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	Bus Depots \$'000	Leasehold Land <sup>(N2)</sup> \$'000	Total \$'000
<b>The Group and The Company</b>			
<b>Cost or valuation:</b>			
At 1 January 2021	121,957	17,600	139,557
Additions	30,787	–	30,787
At 31 December 2021	152,744	17,600	170,344
Charges arising from remeasurement	(2,084)	–	(2,084)
At 31 December 2022	150,660	17,600	168,260
<b>Accumulated depreciation:</b>			
At 1 January 2021	63,607	5,615	69,222
Depreciation	9,727	1,295	11,022
At 31 December 2021	73,334	6,910	80,244
Depreciation	11,037	1,296	12,333
At 31 December 2022	84,371	8,206	92,577
<b>Carrying amount:</b>			
At 31 December 2022	66,289	9,394	75,683
At 31 December 2021	79,410	10,690	90,100

No lease expired in the current financial year (2021 : NIL). In 2021, the remaining contracts in the corresponding year were extended through exercising the extension options resulting in additions to right-of-use assets amounting to \$40,213,000. The additions are net of modification of lease space amounting to \$NIL (2021 : \$7,488,000) and remeasurement of right-of-use assets arising from change in future lease payments from change in index or rate which are not considered as lease modification under SFRS(I) 16 amounting to \$2,084,000 (2021 : \$1,938,000).

<sup>(N2)</sup> : The Group has secured the right-of-use of leasehold land at Soon Lee bus depot with no future payments required. The Group's leasehold land is stated at its revalued amount (Note 18) being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done pursuant to the agreement in the Negotiated Contract under the BCM (Note 32). As at 31 December 2022, the carrying amount of the Group's leasehold land would have been \$4,334,000 (2021 : \$4,932,000), had the leasehold land been carried at cost less accumulated depreciation.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 11 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Deferred tax assets	20,750	27,065	–	–
Deferred tax liabilities	(28,651)	(44,619)	(28,651)	(44,619)
<b>Net</b>	<b>(7,901)</b>	<b>(17,554)</b>	<b>(28,651)</b>	<b>(44,619)</b>
At beginning of year	(17,554)	(35,981)	(44,619)	(62,676)
Credit to Profit or Loss (Note 24)	21,387	30,683	19,789	18,106
Utilisation of deferred tax assets under Group Relief Scheme: – SBS Transit Rail Pte. Ltd. (Formerly known as "SBS Transit DTL Pte. Ltd.")	(11,938)	(12,156)	–	–
Transfer from SBS Transit Ltd to SBS Transit Rail Pte. Ltd.	–	–	(3,821)	–
Arising from movement in Other Comprehensive Income Statement	204	(100)	–	(49)
<b>At end of year</b>	<b>(7,901)</b>	<b>(17,554)</b>	<b>(28,651)</b>	<b>(44,619)</b>

The balance comprises the tax effects of:

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<b>Deferred tax assets</b>				
Unutilised tax losses	8,804	22,910	–	–
Excess of tax written down value over carrying amount	3,202	1,990	–	–
Provisions	8,744	2,165	–	–
	20,750	27,065	–	–
<b>Deferred tax liabilities</b>				
Excess of carrying amount over tax written down value	(51,672)	(64,808)	(51,672)	(64,808)
Provisions	23,021	20,189	23,021	20,189
	(28,651)	(44,619)	(28,651)	(44,619)
<b>Net deferred tax liabilities</b>	<b>(7,901)</b>	<b>(17,554)</b>	<b>(28,651)</b>	<b>(44,619)</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 12 LEASE LIABILITIES

The Group and the Company as lessee

	The Group and The Company	
	2022 \$'000	2021 \$'000
Maturity analysis:		
Within one year	12,377	12,430
In the second to fifth year inclusive	51,103	55,589
After five years	20,393	29,769
	83,873	97,788
Less: Future finance charges	(4,752)	(6,176)
	79,121	91,612
Analysed as:		
Current	11,116	11,131
Non-current	68,005	80,481
	79,121	91,612

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group and the Company's treasury function.

The total cash outflow for leases (including short-term leases and leases of low value assets) amount to \$10,407,000 (2021 : \$10,701,000).

As at 31 December 2022, the Group and the Company are committed to \$47,300 (2021 : \$35,000) for leases exempted under SFRS(I) 16.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

	1 January 2022 \$'000	Financing cash flows \$'000	Non-cash changes Remeasurement \$'000	31 December 2022 \$'000
Lease liabilities	91,612	(10,407)	(2,084)	79,121
Total	91,612	(10,407)	(2,084)	79,121

	1 January 2021 \$'000	Financing cash flows <sup>(i)</sup> \$'000	Non-cash changes New lease \$'000	31 December 2021 \$'000
Borrowings	25,000	(25,000)	–	–
Lease liabilities	71,526	(10,701)	30,787	91,612
Total	96,526	(35,701)	30,787	91,612

<sup>(i)</sup>: The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 13 TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Payables to:				
Ultimate holding company (Note 4)	2,668	5,332	2,658	5,299
Subsidiaries (Note 4)	–	–	2	–
Related companies (Note 4)	4,290	3,595	3,699	3,381
Outside parties	71,520	74,702	60,461	66,653
Accruals	252,158	212,096	168,531	162,768
Deferred income	3,164	2,842	1,456	2,519
<b>Total</b>	<b>333,800</b>	<b>298,567</b>	<b>236,807</b>	<b>240,620</b>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The amounts outstanding are interest-free and the average credit period is 30 days (2021 : 30 days).

## 14 DEPOSITS RECEIVED

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Deposits received	11,517	11,050	4,498	8,132
Less: Due within 12 months	(4,655)	(3,766)	(2,593)	(2,657)
Due after 12 months	6,862	7,284	1,905	5,475

Deposits received from tenants in respect of leases of stalls and shop lots, are repayable upon termination of the lease agreements. Deposits that are not expected to be repaid within the next 12 months after the end of the reporting period are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

## 15 DEFERRED GRANTS

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Non-current deferred grants	4,349	4,772	4,104	4,772

Non-current deferred grants relate to capital grants.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 16 PROVISIONS

The balance comprises provisions for:

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Provision for accident claims	13,213	16,075	13,213	16,075
Provision for retirement benefits and long service awards	12,421	11,663	10,583	11,081
Provision for reinstatement and maintenance costs	7,588	–	3,066	–
<b>Total</b>	<b>33,222</b>	<b>27,738</b>	<b>26,862</b>	<b>27,156</b>

### (a) PROVISION FOR ACCIDENT CLAIMS

	The Group and The Company	
	31 December 2022 \$'000	31 December 2021 \$'000
At beginning of year	16,075	19,630
Charge to Profit or Loss	401	365
Payments	(3,263)	(3,920)
<b>At end of year</b>	<b>13,213</b>	<b>16,075</b>

The provision for accident claims represents the estimated amount which the Group will have to pay to outside parties for accident claims involving the Group Vehicles (Note 3 (1a)).

### (b) PROVISION FOR SERVICE BENEFITS AND LONG SERVICE AWARDS

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
At beginning of year	11,663	12,340	11,081	11,759
Charge to Profit or Loss	1,706	202	1,330	190
Transfer to subsidiary	–	–	(1,039)	–
Payments	(948)	(879)	(789)	(868)
<b>At end of year</b>	<b>12,421</b>	<b>11,663</b>	<b>10,583</b>	<b>11,081</b>

The provision for service benefits and long service awards represents the estimated amount which the Group will have to pay to employees who qualify for these staff benefits based on certain conditions (Note 3 (1b) and (1c)).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 16 PROVISIONS (CONT'D)

### (c) PROVISION FOR REINSTATEMENT AND MAINTENANCE COSTS

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
At beginning of year	-	-	-	-
Charge to Profit or Loss	7,588	-	3,066	-
At end of year	7,588	-	3,066	-
Analysed as:				
Current	16,465	16,075	13,213	16,075
Non-current	16,757	11,663	13,649	11,081
	33,222	27,738	26,862	27,156

The provision for reinstatement costs represents the estimated amount which the Group will have to pay to restore leased assets to their original condition as required by the terms and conditions of the lease agreements. The provision for maintenance costs is the estimated amount as required by the terms and conditions of the Consolidated Rail Licence agreement.

## 17 SHARE CAPITAL

	The Group and The Company			
	31 December 2022 Number ('000) of ordinary shares	31 December 2021	31 December 2022 \$'000	31 December 2021 \$'000
Issued and paid up:				
At beginning and end of year	311,865	311,865	100,499	100,499

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has one class of ordinary shares which carry no right to fixed income.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 18 OTHER RESERVES

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Premises revaluation reserve:				
At beginning and end of year	40,265	40,265	40,265	40,265
Hedging reserve:				
At beginning of year	484	–	236	–
Transfer to subsidiary	–	–	(236)	–
Net (loss) gain on cash flow hedges	(997)	484	–	236
At end of year	(513)	484	–	236
Share award reserve:				
At beginning of year	–	–	–	–
Recognition of share-based payments	320	–	179	–
At end of year	320	–	179	–
<b>Total</b>	<b>40,072</b>	<b>40,749</b>	<b>40,444</b>	<b>40,501</b>

The premises revaluation reserve arises on the revaluation of land and leasehold building. When revalued land and building are sold, the portion of the premises revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the premises revaluation reserve will not be reclassified subsequently to Profit or Loss.

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in Profit or Loss only when the hedged transaction affects the Profit or Loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

The share award reserve arises on the grant of share awards to employees under the SBS ESS. Further information about share-based payments to employees is set in Note 20(iii).

## 19 REVENUE

Revenue comprises the following amounts:

	The Group	
	2022 \$'000	2021 \$'000
Transport services	1,378,100	1,168,316
Lease revenue	86,895	97,015
Other commercial services	50,316	45,511
<b>Total</b>	<b>1,515,311</b>	<b>1,310,842</b>

Revenue from transport services are mainly contracts with the Government (public sector) in Singapore for an average of 9 years. The Group derives the revenue that corresponds directly with the services rendered to the customers. Included in the revenue from transport services are performance incentives from transport regulator for achieving certain performance and service quality targets, and other rail related services income. The performance incentives accounted for approximately 4% (2021 : 5%) of the total revenue.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 20 STAFF COSTS

Included in staff costs are:

- (i) The remuneration of the Directors (executive and non-executive) and key executives comprised mainly short term benefits amounting to \$4,071,210 (2021 : \$3,377,339).

	The Group	
	2022 \$'000	2021 \$'000
(ii) Cost of contribution to Central Provident Fund	59,672	56,750
Government grant (included in staff costs)	–	(52,151)

No wage support for local employees under Jobs Support Scheme (“JSS”) from the Singapore Government in the current year upon the cessation of the scheme. In 2021, the Government grant from JSS recognised in Profit or Loss on a systematic basis over the period impacted by COVID-19 in which the related salary costs for which the grant is intended to compensate is recognised as expenses amounted to \$52,151,000.

- (iii) Share-based payments (included in staff costs)

### Share awards scheme

On 12 July 2022, the Company granted the first tranche of share awards of 411,000 (2021 : NIL) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 30,000 (2021 : NIL) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian and 25,000 (2021 : NIL) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming. These are time-based awards to be vested over a 4-year period.

Since the adoption of the SBS ESS, a total of 411,000 (2021 : NIL) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

Date of grant	Number of share awards			Balance at 31 December 2022
	Balance at 1 January 2022	Granted	Lapsed	
12 July 2022	–	411,000	7,500	403,500

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 21 OPERATING PROFIT

In addition to the charges and credits disclosed elsewhere in the notes to the Financial Statements, this item includes the following charges (credits):

	The Group	
	2022 \$'000	2021 \$'000
Directors' fees	859	598
Cost of inventories recognised in repairs and maintenance costs	137,751	137,405
Net (gain) loss on disposal of vehicles and equipment	(357)	15,812
Allowance for inventory obsolescence	11,027	6,950
Allowance (Write-back) for expected credit losses	4	(344)
Provision for accident claims	401	365
Provision for service benefits and long service awards	1,706	202
Provision for reinstatement and maintenance costs	7,588	–
Government grant	–	56,323
Audit fees:		
Paid to auditors of the Company	178	137
Non-audit fees:		
Paid to auditors of the Company	84	115

No Government grant was received in 2022. In 2021, excluding the Government grant (COVID-19 related) of \$56,323,000, the Group would have recorded an Operating Loss of \$2,769,000.

## 22 INTEREST INCOME

	The Group	
	2022 \$'000	2021 \$'000
Interest income from bank and short-term deposits	4,521	285
Interest income from net investment on sublease	3	6
Total	4,524	291

## 23 FINANCE COSTS

	The Group	
	2022 \$'000	2021 \$'000
Interest expense on lease liabilities	1,473	1,300
Interest expense on bank loans	–	39
Total	1,473	1,339



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 24 TAX EXPENSE

	The Group	
	2022 \$'000	2021 \$'000
Current taxation	36,324	31,555
Deferred tax (Note 11)	(21,387)	(30,683)
Total	14,937	872

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2021 : 17%) to profit before taxation as a result of the following differences:

	The Group	
	2022 \$'000	2021 \$'000
Profit before taxation	82,959	52,506
Taxation charge at statutory rate	14,103	8,926
Non-allowable (taxable) items	851	(8,037)
Tax-exempt income	(17)	(17)
	14,937	872

## 25 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2022	2021
Profit attributable to shareholders of the Company (\$'000)	68,022	51,634
Weighted average number of ordinary shares in issue ('000)	311,865	311,865
Basic earnings per share (in cents)	21.81	16.56

Fully diluted earnings per share is the same as the basic earnings per share as there is no dilutive shares outstanding at the end of financial years ended 31 December 2022 and 31 December 2021.

## 26 BUSINESS SEGMENT INFORMATION

The Group operates principally in Singapore.

Following the developments in the public transport industry, the Group's business segment information reported to the Group's chief operating decision maker for purposes of resource allocation and assessment of segment performance are based on the following:

- (a) Public Transport Services: Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems.
- (b) Other Commercial Services: Income is generated substantially through –
  - (i) advertisements on buses and trains and at bus interchanges and rail stations; and
  - (ii) rental collections from commercial and shop space at bus interchanges and rail stations.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 26 BUSINESS SEGMENT INFORMATION (CONT'D)

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's Profit or Loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals.

	Public Transport Services \$'000	Other Commercial Services \$'000	Total \$'000
<b>31 December 2022</b>			
REVENUE	1,464,995	50,316	1,515,311
RESULTS			
Segment results	50,753	29,155	79,908
Interest income			4,524
Finance costs			(1,473)
Profit before taxation			82,959
Tax expense			(14,937)
Profit after taxation			68,022
OTHER INFORMATION			
Additions of vehicles, premises and equipment	13,671	1,124	14,795
Depreciation expense	89,090	4,901	93,991
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Segment assets	820,621	23,655	844,276
Unallocated corporate assets			366,918
Consolidated total assets			1,211,194
LIABILITIES			
Segment liabilities	462,890	27,070	489,960
Unallocated corporate liabilities			76,943
Consolidated total liabilities			566,903

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 26 BUSINESS SEGMENT INFORMATION (CONT'D)

	Public Transport Services \$'000	Other Commercial Services \$'000	Total \$'000
<b>31 December 2021</b>			
REVENUE	1,265,331	45,511	1,310,842
RESULTS			
Segment results	30,978	22,576	53,554
Interest income			291
Finance costs			(1,339)
Profit before taxation			52,506
Tax expense			(872)
Profit after taxation			51,634
OTHER INFORMATION			
Additions of vehicles, premises and equipment	22,627	12,324	34,951
Depreciation expense	101,286	4,054	105,340
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Segment assets	900,513	23,327	923,840
Unallocated corporate assets			229,946
Consolidated total assets			1,153,786
LIABILITIES			
Segment liabilities	435,698	27,798	463,496
Unallocated corporate liabilities			88,725
Consolidated total liabilities			552,221

## 27 OPERATING LEASE ARRANGEMENTS

### The Group as lessor

Operating leases, in which the Group is the lessor, relate to rental of spaces and floor areas at bus interchanges, bus depots and train stations. The properties are managed and maintained by the Group.

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Maturity analysis of operating lease payments:				
Within one year	16,310	15,003	4,722	12,515
In the second to fifth year inclusive	14,009	13,625	3,171	12,217
Total	30,319	28,628	7,893	24,732

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 28 CAPITAL COMMITMENTS

As at 31 December 2022, the Group and the Company have the following capital commitments contracted for but not provided for in the Financial Statements:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Purchase of vehicles, premises and equipment	13,450	17,608	5,416	15,959

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<b>Financial assets</b>				
Amortised cost	578,286	438,998	871,553	681,069
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	34	653	–	319
<b>Financial liabilities</b>				
Amortised cost	330,441	290,234	217,934	229,385
Lease liabilities	79,121	91,612	79,121	91,612
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	652	69	–	34

### (b) Financial risk, management policies and objectives

The main areas of financial risk faced by the Group are foreign currency exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. The Group oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

- (b) Financial risk, management policies and objectives (cont'd)

### Foreign exchange rate risk management

The Group is exposed to currency risk as a result of its purchases of spare parts, fuel and any other purchases where the currency denomination differs from its functional currency (Singapore dollars). Its exposures include United States Dollar ("USD"), Swedish Kroner ("SEK"), Euro ("EUR"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR") and Sterling Pound ("GBP"). The Group manages its foreign exchange exposure through active currency management using hedging instruments such as forwards and options where necessary.

### *Foreign currency sensitivity*

Based on sensitivity analysis performed, the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit or equity of the Group is insignificant.

### Interest rate risk management

The Group's primary interest rate risk relates to deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk.

### *Interest rate sensitivity*

Based on sensitivity analysis performed at end of the reporting period, the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or Other Comprehensive Income of the Group is insignificant.

### Credit risk management

The Group has minimal credit risk arising from its public transport operations as the credit risk that arises from its public transport operations is mainly from LTA and commuters who use the contactless smart card where cash is collected upfront. The remaining credit risk from advertisement and rental revenue is controlled via upfront deposits or strict credit terms and regular monitoring of advertisers' and tenants' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date and expected credit losses as at end of the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

- (b) Financial risk, management policies and objectives (cont'd)

### Liquidity risk management

The Group regularly reviews its liquidity position comprising free cash flows from its operations and credit lines from banks to ensure its ability to access funding at any time at the best possible rates.

### Fuel price risk management

Fuel, comprising diesel and electricity, is part of the operating cost of the Group. The Group seeks to hedge the price risk associated with its fuel needs and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Following the transition to the BCM, the fuel indexation in the contracts with LTA provides a natural hedge to the diesel price risk. In view of this, the fuel price risk faced by the Group relates mainly to electricity. Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at end of the reporting period, every one percentage point change in the rates of electricity using the closing rates as at end of the reporting period as a basis will impact the Group's annual electricity costs by \$317,000 (2021 : \$463,000). The sensitivity analysis assumes that consumption is held constant at the same level as in 2022.

### Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, short term loans and other liabilities approximate the respective fair values due to the relatively short-term maturity of these financial instruments. Management considers that the carrying amounts of non-current receivables and lease liabilities in the Financial Statements to approximate their respective fair values.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the Financial Statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (Level 3).

The fair values of the Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Hedging instruments

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<u>Financial assets</u>				
At fair values:				
Fuel hedges	34	653	–	319
<u>Financial liabilities</u>				
At fair values:				
Fuel hedges	301	–	–	–
Foreign exchange hedges	351	69	–	34
	652	69	–	34

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group and the Company use fuel hedges contract to hedge against fuel price risks. These arrangements are designed to address fuel price exposure and are accounted for as cash flow hedges. The fair value of the Group's fuel hedging instruments comprised \$34,000 of assets and \$301,000 of liabilities on cash flow hedges in Other Comprehensive Income. No fuel hedging instruments for the Company.

The Group and the Company use forward contracts and options to manage their exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges. The fair value of the Group's foreign exchange hedging instruments comprised \$351,000 of liabilities on cash flow hedges in Other Comprehensive Income. The Company did not utilise fuel hedging instruments in 2022.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting period, the Group has outstanding hedges with notional amounts for fuel hedges and foreign exchange hedges amounting to \$10,956,000 respectively (2021 : \$10,422,000).

(d) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 30 DIVIDENDS

- (a) During the financial year, the Company paid dividends as follows:

	2022 \$'000	2021 \$'000
Tax-exempt one-tier final dividend in respect of the previous financial year:		
– 2.45 cents (2021 : 6.30 cents) per ordinary share	7,641	19,647
Tax-exempt one-tier interim dividend in respect of the current financial year:		
– 5.45 cents (2021 : 5.75 cents) per ordinary share	16,996	17,932
<b>Total</b>	<b>24,637</b>	<b>37,579</b>

- (b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 5.45 cents per ordinary share totalling \$16,997,000 (2021 : \$7,641,000) be paid for the financial year ended 31 December 2022. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax exempt one-tier interim dividend of 5.45 cents per ordinary share (2021 : 5.75 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2022 will be 10.90 cents per ordinary share (2021 : 8.20 cents per ordinary share).

## 31 LICENCE FOR RAIL SERVICES

### Consolidated Rail Licence as part of NRFF (Version 2)

On 11 November 2021, the Company entered into a framework agreement with LTA and SBS Transit DTL Pte. Ltd. (now known as SBS Transit Rail Pte. Ltd.) to transit the DTL to NRFF (Version 2). Under this framework agreement, LTA will issue a Consolidated Rail Licence to SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT. The NRFF (Version 2) is designed to reduce commercial volatility for rail operators in delivering a reliable and financially sustainable public rail service. With the transfer of NEL and SPLRT to SBS Transit Rail Pte. Ltd. as part of the Consolidated Rail Licence, the related assets and liabilities were transferred at carrying amounts as at 31 December 2021 from SBS Transit Ltd to SBS Transit Rail Pte. Ltd..

The Consolidated Rail Licence took effect from 1 January 2022 to operate the NEL, SPLRT and the DTL for a period of 11 years. This Consolidated Rail Licence supersedes the licence granted to NEL and SPLRT dated 1 April 2018 and the licence granted to DTL dated 19 December 2013.

Under NRFF Version 2, LTA owns and pay for the operating assets, including additions, renewals and replacements. In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, the Company will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between the Company and the LTA of revenue risks under the Fare Revenue Shortfall Sharing as well as profit sharing via an Earnings Before Interest and Tax Cap/Collar. These are explained below:

- (i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 31 LICENCE FOR RAIL SERVICES (CONT'D)

### (ii) Earnings Before Interest and Tax ("EBIT") Cap / Collar

The licence charge structure provides for profit sharing via an EBIT (as computed in accordance with the licence agreement) cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by the SBS Transit Rail Pte. Ltd. for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by the SBS Transit Rail Pte. Ltd. for the year.

In addition, the LTA may reimburse or be reimbursed by SBS Transit Rail Pte. Ltd. when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

## 32 CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM")

The Company entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Under the Negotiated Contract, the Company operates a total of 8 bus packages with an average contract period of 7 years. The 8 bus packages are: Bukit Merah, Sengkang-Hougang, Bedok, Jurong West, Tampines, Serangoon-Eunos, Clementi and Bishan-Toa Payoh. The contracted expiry dates of the 8 bus packages range from 2018 to 2026 and any further extension may be granted at the sole discretion of LTA.

As part of the Negotiated Contract, the Company leases its fleet of close to 2,900 buses to LTA. In consideration of the Company using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of the Company (bus depot and related equipment) based on the depreciation of such assets.

Subsequent to the Negotiated Contract, the Company was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Among the seven negotiated contract packages, one was extended on 1 September 2022 for three years while another five were extended by an average of three years from their original service terms as part of the transition of DTL to NRFF (Version 2).

Including the two bus packages secured through tender, the Company operates a total of 9 bus packages which cover a total of 218 bus services, 7 bus depots, 1 bus park, 18 bus interchanges and 15 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

Under the BCM, LTA retains all fare revenue collected from the provision of the bus services. Revenue for the Company is derived from the provision of bus services which comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, the Company retains revenue from other commercial services comprising advertising and rental.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 32 CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM") (CONT'D)

The Company's performance will be assessed annually under an incentive-disincentive framework including key performance indicators such as bus service availability, bus punctuality and maintenances of buses, bus interchanges, bus depots and bus ticketing system.

In addition to operating and managing bus services to specified performance standards, the Company's responsibilities include the following:

- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate and maintain the bus interchanges and bus depots including the equipment and systems therein;
- (c) Operate the buses, bus depots and related equipment that are provided by LTA for the provision of the bus services;
- (d) Charge and collect fares as approved by the PTC, on behalf of LTA, for travel on the bus services;
- (e) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (f) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

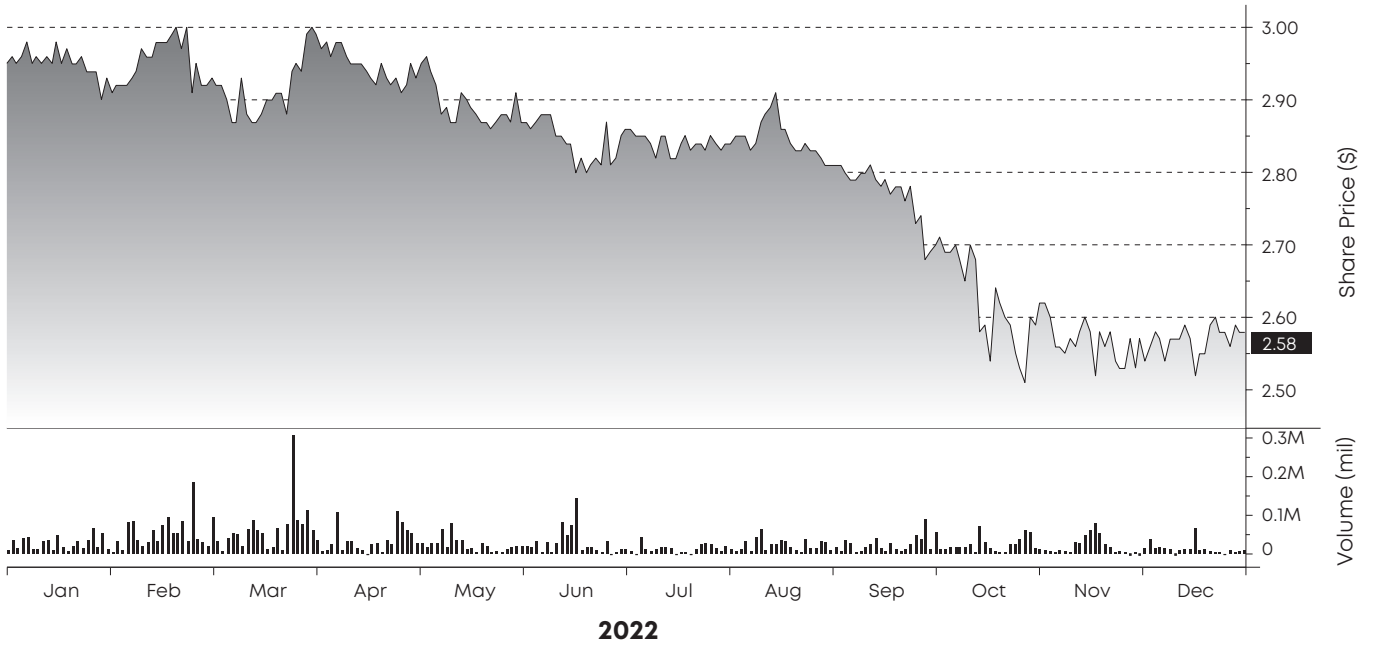
## 33 CONTINGENT EVENT

13 Bus Captains commenced legal proceedings against the Company between 20 September 2019 and 1 March 2021 in relation to, inter alia, working hours, rest days, overtime pay and allowances. During the year, the High Court dismissed the claims of one of the 13 Bus Captains, who did not appeal the decision. At the date of this report, the remaining 12 Bus Captains have yet to take any further step or proceeding. As at 31 December 2022, Management is of the view that no provision is required with regard to the above.

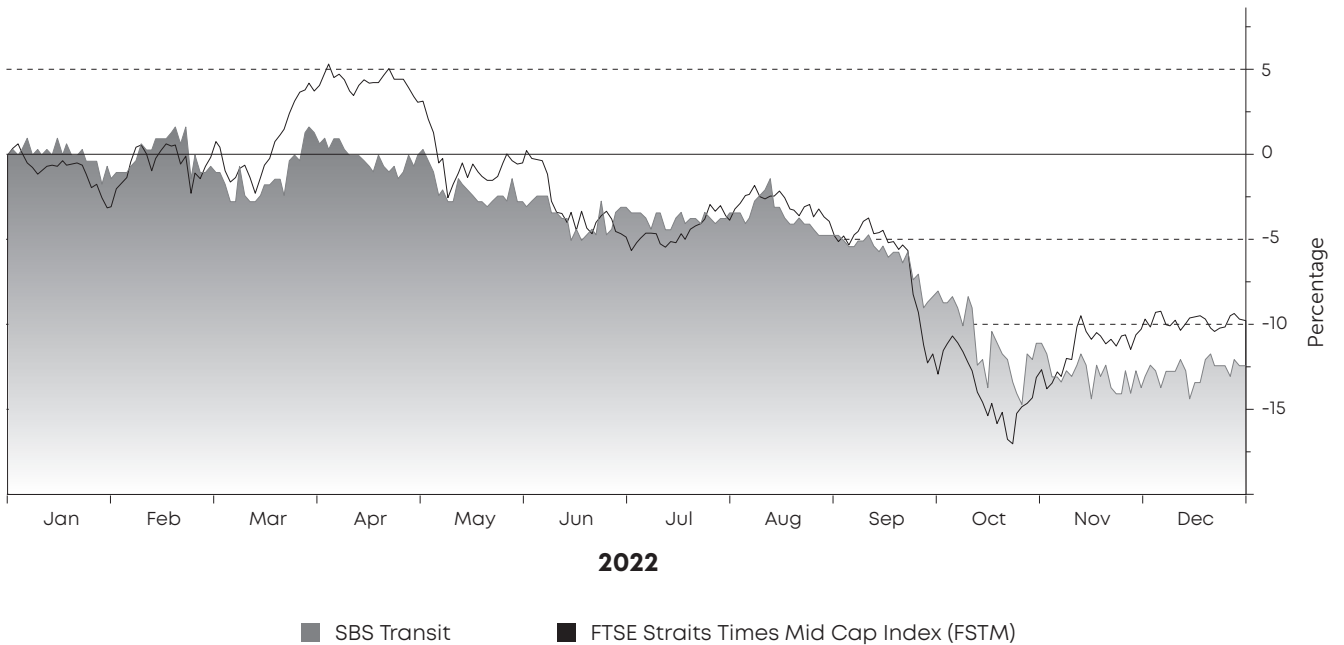


# SHARE PRICE MOVEMENT CHART

SBS TRANSIT'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



COMPARISON OF PERFORMANCE OF SBS TRANSIT'S SHARE PRICE AND THE FTSE STRAITS TIMES MID CAP INDEX (FSTM)



Source: Bloomberg Finance L.P.

# SHAREHOLDINGS STATISTICS

AS AT 1 MARCH 2023

Issued and Fully Paid-Up Capital	:	S\$100,498,983
No. of Shares Issued	:	311,864,766
Class of Shares	:	Ordinary Shares Fully Paid
Voting Rights	:	One (1) Vote Per Ordinary Share

The Company does not hold any Treasury Shares and Subsidiary Holdings.

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 MARCH 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	26	0.13	621	0.00
100 – 1,000	3,999	20.72	2,508,323	0.81
1,001 – 10,000	14,708	76.20	27,675,722	8.87
10,001 – 1,000,000	559	2.90	20,843,027	6.68
1,000,000 & Above	10	0.05	260,837,073	83.64
<b>TOTAL</b>	<b>19,302</b>	<b>100.00</b>	<b>311,864,766</b>	<b>100.00</b>

## LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2023)

	Name of Shareholder	No. of Shares	% <sup>(1)</sup>
1	Comfortdelgro Corporation Limited	232,125,512	74.43
2	DBS Nominees Pte Ltd	9,360,199	3.00
3	Raffles Nominees (Pte) Limited	6,745,900	2.16
4	Citibank Nominees Singapore Pte Ltd	3,791,703	1.22
5	United Overseas Bank Nominees Pte Ltd	2,218,700	0.71
6	OCBC Nominees Singapore Pte Ltd	1,861,200	0.60
7	IFAST Financial Pte Ltd	1,296,797	0.42
8	ABN Amro Clearing Bank N.V.	1,278,200	0.41
9	Phillip Securities Pte Ltd	1,132,262	0.36
10	CGS-CIMB Securities (Singapore) Pte Ltd	1,026,600	0.33
11	Tham Leung-Hwa (Tan Longhua)	985,700	0.31
12	Changi Bus Company (Private) Limited	691,548	0.22
13	Tan Kuangxu	439,000	0.14
14	HSBC (Singapore) Nominees Pte Ltd	438,369	0.14
15	Pang Cheow Jow	400,000	0.13
16	Jusin Private Limited	300,000	0.10
17	Maybank Securities Pte. Ltd.	299,200	0.09
18	Goei Beng Guan Alex	275,000	0.09
19	Chin Hsiang San (Qian Xiangshan)	250,000	0.08
20	Dawn Kua Su-Wen	240,000	0.08
	<b>TOTAL:</b>	<b>265,155,890</b>	<b>85.02</b>

Notes:

<sup>(1)</sup> The percentage of shareholding is calculated based on 311,864,766 issued shares of the Company as at 1 March 2023.

# SHAREHOLDINGS STATISTICS

AS AT 1 MARCH 2023

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 1 March 2023)

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
COMFORTDELGRO CORPORATION LIMITED	232,125,512	74.43	–	–

Notes:

<sup>(1)</sup> The percentage of shareholding is calculated based on 311,864,766 issued shares of the Company as at 1 March 2023.

## COMPLIANCE WITH RULE 723 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 1 March 2023, approximately 25.53% of the ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

## SBS TRANSIT LTD

(Incorporated in the Republic of Singapore)  
(Co. Reg. No.: 199206653M)

**NOTICE IS HEREBY GIVEN** that the Thirtieth Annual General Meeting (“**AGM**”) of SBS Transit Ltd (the “**Company**”) will be held on Thursday, 27 April 2023, at 10.00 a.m. via electronic means and in person at:

**AUDITORIUM  
SINGAPORE CHINESE CULTURAL CENTRE  
1 STRAITS BOULEVARD  
SINGAPORE 018906**

The Thirtieth AGM is for the purpose of transacting the following businesses:

### ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following Resolutions:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 5.45 Singapore cents (S\$0.0545) per ordinary share in respect of the financial year ended 31 December 2022. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$814,235 for the financial year ended 31 December 2022. (FY2021: S\$598,159)  
[Please refer to Explanatory Note (a)] **(Resolution 3)**
4. To re-elect Mr Sim Vee Ming, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.  
[Please refer to Explanatory Note (b)] **(Resolution 4)**
5. To re-elect Mr Lim Tien Hock, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.  
[Please refer to Explanatory Note (c)] **(Resolution 5)**
6. To re-elect Ms Chua Mui Hoong, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[Please refer to Explanatory Note (d)] **(Resolution 6)**
7. To re-elect Ms Susan Kong Yim Pui, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[Please refer to Explanatory Note (e)] **(Resolution 7)**
8. To re-elect Dr Tan Kim Siew, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[Please refer to Explanatory Note (f)] **(Resolution 8)**
9. To appoint Messrs Ernst & Young LLP as the auditors of the Company in place of the retiring auditors, Deloitte & Touche LLP, to hold office until the conclusion of the next AGM and to authorise the Directors of the Company to fix their remuneration.  
[Please refer to Explanatory Note (g)] **(Resolution 9)**

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions:

## ORDINARY RESOLUTIONS:

### 10. AUTHORITY TO ISSUE SHARES UNDER THE SBS EXECUTIVE SHARE SCHEME

(Resolution 10)

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), the Directors of the Company be and are hereby authorised to grant awards (“**Awards**”) in accordance with the provisions of the SBS Executive Share Scheme (“**Scheme**”) and to allot and issue and/or transfer from time to time such number of fully paid-up shares in the capital of the Company (“**Shares**”) as may be required to be issued and/or transferred pursuant to the vesting of Awards under the Scheme, provided that:

- (i) the total number of new Shares which shall be issued pursuant to Awards granted under the Scheme shall not exceed five per cent (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the Award; and
- (ii) the aggregate number of Shares for which an Award may be granted on any date under the Scheme, when added to the aggregate number of Shares that are issued and/or issuable in respect of:
  - (A) all Awards granted under the Scheme; and
  - (B) all Shares, options or awards granted under any other share option or share scheme of the Company then in force (if any),

shall be subject to any applicable limits prescribed under the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Listing Manual**”).

That such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

*(Note: The Scheme was approved at the AGM of the Company held on 29 April 2021.)*  
[Please refer to Explanatory Note (h)]

### 11. RENEWAL OF SHARE BUYBACK MANDATE

(Resolution 11)

#### That:

- (a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined) at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) on-market purchases (“**Market Purchases**”), effected on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or



# NOTICE OF ANNUAL GENERAL MEETING

- (ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme or schemes as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next AGM is held or required by law to be held; and
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

**where:**

"**Relevant Period**" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or required by law to be held, whichever is earlier, after the date of this Resolution;

"**Average Closing Price**" means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the Day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

# NOTICE OF ANNUAL GENERAL MEETING

**"Day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company ("**Shareholders**"), stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

*(Note: The Share Buyback Mandate was approved at the AGM of the Company held on 29 April 2021.)*

[Please refer to Explanatory Note (i)]

## NOTICE OF RECORD AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on Monday, 8 May 2023 for the purpose of determining Shareholders' entitlements to the proposed tax exempt one-tier final dividend of 5.45 Singapore cents (S\$0.0545) per ordinary share for the financial year ended 31 December 2022 (the "**Proposed Final Dividend**").

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on Monday, 8 May 2023 will be registered to determine Shareholders' entitlements to the Proposed Final Dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on Monday, 8 May 2023 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by the Shareholders at the Thirtieth AGM of the Company, will be paid on 16 May 2023.

## BY ORDER OF THE BOARD SBS TRANSIT LTD

Angeline Joyce Lee Siang Pohr &  
Au Cheen Kuan  
Company Secretaries  
Singapore

29 March 2023

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

### ORDINARY BUSINESS:

- (a) Ordinary Resolution 3, if passed, relates to the payment of the total Directors' Fees for the financial year ended 31 December 2022. Directors' Fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees. The amount includes Directors' basic fees and attendance fees for both scheduled and ad-hoc meetings held throughout the year. The Directors' Fees was aligned to that of mid-cap companies in Singapore, according to the Singapore Institute of Directors (SID) Board of Directors Survey 2022.
- (b) Mr Sim Vee Ming<sup>(1)</sup> will, if re-elected as a Director of the Company, serve as the Group Chief Executive Officer, and a member of the Service Quality Committee, the SBST Tenders and Investments Committee (formerly known as SBST Tenders Committee) and the Sustainability Committee. Mr Sim will be considered a Non-Independent Executive Director of the Company.
- (c) Mr Lim Tien Hock<sup>(1)</sup> will, if re-elected as a Director of the Company, serve as a member of the Service Quality Committee and will step down from the Sustainability Committee. Mr Lim will be considered a Non-Independent Executive Director of the Company.
- (d) Ms Chua Mui Hoong<sup>(1)</sup> will, if re-elected as a Director of the Company, serve as a member of the Service Quality Committee and the Sustainability Committee and will step down from the Audit and Risk Committee. Ms Chua will be considered an Independent Non-Executive Director of the Company.
- (e) Ms Susan Kong Yim Pui<sup>(1)</sup> will, if re-elected as a Director of the Company, serve as a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the SBST Tenders and Investments Committee (formerly known as SBST Tenders Committee). Ms Kong will be considered a Non-Independent Non-Executive Director of the Company for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
- (f) Dr Tan Kim Siew<sup>(1)</sup> will, if re-elected as a Director of the Company, serve as a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Service Quality Committee. Dr Tan will be considered an Independent Non-Executive Director of the Company for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
- (g) Resolution 9 is to approve the appointment of Ernst & Young LLP ("**EY**") as auditors of the Company in place of the retiring auditors, Deloitte & Touche LLP ("**Deloitte**"), and to authorise the Directors to fix their remuneration.

The Company has received the notice of nomination from its majority shareholder, ComfortDelGro Corporation Limited, dated 24 January 2023 on the appointment of EY in place of the retiring auditors, Deloitte. Deloitte has served as the external auditors of the Company and its subsidiaries (the "**Group**") for more than 20 years.

The Audit and Risk Committee ("**ARC**") is of the view that the change of auditors is in the best interests of the Company as it would enable the Company to benefit from a change of perspectives. Moreover, having EY as the auditor of the Group would enable the Group to benefit from a more coordinated audit as EY is currently the auditor of ComfortDelGro Corporation Limited, the holding company of the Company. As both EY and Deloitte are considered as part of the "Big Four" audit firms, the quality of the audit services to be provided by EY is expected to be comparable to that currently provided by Deloitte. There will be no change in the scope of the audit to be undertaken by EY. The ARC has also considered the Audit Quality Indicators listed in the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in assessing the suitability of EY as the Company's new auditors. Upon recommendation from the ARC and after due deliberation, the Board is of the view that it would be in the best interests of the Company to effect a change of auditors with effect from the financial year ending 31 December 2023. Accordingly, Deloitte will not be seeking re-appointment at the forthcoming AGM of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

EY is a leading professional services firm in Singapore. In Singapore, they have a history of 134 years, with 230 partners and directors, as well as approximately 4,200 professional staff offering assurance, tax, strategy and transactions, and consulting services to a wide-ranging clientele base consisting of public sector organisations, as well as private sector and multinational companies. Today, EY audits more than a quarter of Singapore's public listed companies.

EY has assigned Mr Wong Yew Chung as the Company's audit engagement partner, if they are appointed. Mr Wong has more than 20 years of audit experience in Singapore and has served a wide range of clients including statutory boards, listed companies, and multinational companies, and has extensive experience in rate-regulated industries. Mr Wong graduated with a Bachelor of Accountancy (Hons) from the Nanyang Technological University. He is a practicing member of the Institute of Singapore Chartered Accountants, and is currently a member of the ISCA Financial Reporting Committee and the FRC core sub-committee where issues related to the adoption, implementation and development of accounting standards in Singapore are deliberated and discussed.

The ARC has enquired on whether the audit engagement partner has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the ARC has noted that the audit engagement partner, Mr Wong, was subjected to a ACRA Practice Monitoring Programme review in 2019 and passed the practice review.

Mr Wong has never served in any executive capacity in the Group nor is he considered to be an affiliate.

The Board, with the concurrence of the ARC, is satisfied that EY will be able to meet the audit requirements of the Group after having considered factors such as the adequacy of the resources and experience of EY and the audit engagement partner assigned to the audit, EY's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff who will be assigned to the Group's audit.

EY has given their consent to be appointed as the auditors, subject to the approval of the shareholders at the Thirtieth AGM.

Assuming that Resolution 9 is approved by the shareholders, for the purposes of Rule 715 of the Listing Manual, EY will be appointed as the auditor of the Company's Singapore incorporated subsidiaries. The Company does not have any Singapore incorporated significant associated companies.

The Board wishes to state that Deloitte had continued to discharge their duties well and professionally throughout their tenure as auditors of the Group and express their appreciation for the past services rendered by Deloitte. The appointment of EY as auditors in place of Deloitte will take effect subject to the approval of the same by the shareholders at the Thirtieth AGM.

In accordance with Rule 1203(5) of the Listing Manual of the SGX-ST, the Company confirms that:

- (a) there were no disagreements with Deloitte on accounting treatments within the last twelve (12) months;
- (b) it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of shareholders of the Company;
- (c) there are no specific reasons for the proposed change of auditors save as disclosed above; and
- (d) it has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the proposed appointment of EY.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST, Deloitte has confirmed by way of their letter to EY dated 27 March 2023 that it is not aware of any professional reasons why EY should not accept the appointment as the auditors of the Company.

<sup>(1)</sup> Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "**Board of Directors**", "**Directors' Particulars**" and "**Additional Information on Directors Seeking Re-election**" in the FY2022 Annual Report of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL BUSINESS:

- (h) Ordinary Resolution 10, if passed, will empower the Directors to grant Awards in accordance with the provisions of the Scheme and to issue and/or transfer from time to time such number of fully paid Shares as may be required to be issued and/or transferred pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the Scheme. The total number of new Shares which may be issued pursuant to Awards granted under the Scheme shall not exceed five per cent (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the Award, provided that the aggregate number of Shares for which an Award may be granted on any date under the Scheme, when added to the aggregate number of Shares that are issued and/or issuable in respect of (i) all Awards under the Scheme, and (ii) all Shares, options or awards granted under any other share option scheme of the Company then in force (if any), shall be subject to any applicable limits prescribed under the Listing Manual of the SGX-ST. The Scheme was approved at the AGM of the Company held on 29 April 2021.
- (i) Ordinary Resolution 11, if passed, will renew the Share Buyback Mandate, and empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of Market Purchases or Off-Market Purchases) Shares on the terms of the Share Buyback Mandate as set out in the Circular to Shareholders dated 29 March 2023 (the "**Circular**"), which is available at [www.sbstransit.com.sg](http://www.sbstransit.com.sg)

The Company may use internal sources of funds to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Group. The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate on the Audited Financial Statements of the Group for the financial year ended 31 December 2022 is set out in the Circular.

## NOTES:

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member who is a Relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Investors holding shares under the Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Monday, 17 April 2023). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be submitted in the following manner:
- (a) If submitted by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - (b) If submitted by electronic mail, be sent to **agm2023@sbstransit.com.sg**; or
  - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2023**,
- in each case, by 10.00 a.m. on Monday, 24 April 2023, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.
6. In the case of shares entered in the Depository Register, the Company may reject any instrument appointing proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10.00 a.m. on Monday, 24 April 2023), as certified by The Central Depository (Pte) Limited to the Company.
7. A corporation which is a member of the Company may authorise by resolutions of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.
8. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.



# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT INFORMATION

The AGM is being convened and will be held physically (“**Physical Meeting**”) and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“**Virtual Meeting**”).

Shareholders of the Company (“**Shareholders**”) shall take note of the following arrangements for the conduct of the AGM on Thursday, 27 April 2023 at 10.00 a.m.:

### 1. Attendance

The pre-registration procedures are set out below:

#### **Virtual Meeting**

Proceedings of the AGM will be broadcasted through live audio-visual and audio-only feeds (“**Live Webcast**”).

All Shareholders who wish to follow the proceedings of the AGM must pre-register online at the URL: **www.conveneagm.sg/SBST\_AGM2023** for verification purposes by 10.00 a.m. on Monday, 24 April 2023.

Shareholders who are appointing proxy(ies) (“**Proxy(ies)**”) to attend the Virtual Meeting should inform his/her Proxy(ies) to pre-register at the URL: **www.conveneagm.sg/SBST\_AGM2023** not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Monday, 24 April 2023), failing which the appointment shall be invalid.

Following verification, the Company will provide verified Shareholders and Proxy(ies) with a confirmation email by Tuesday, 25 April 2023 (“**Confirmation Email for Virtual Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form to access the Live Webcast to watch the live feed of the AGM proceedings via the log-in credentials created during the pre-registration or log-in with their SingPass account.

Please use the registered identification credentials to access the Live Webcast. Shareholders must not forward the above-mentioned link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Shareholders who have registered by 10.00 a.m. on Monday, 24 April 2023 but have not received the Confirmation Email for Virtual Meeting by Tuesday, 25 April 2023, please email to **ir@sbstransit.com.sg**.

If you have any queries on the Live Webcast, please email to **ir@sbstransit.com.sg** or **support@conveneagm.com** or call the telephone number +65 6856 7330.

#### **Physical Meeting**

Please pre-register for verification purposes by 10.00 a.m. on Monday, 24 April 2023 at the URL: **www.conveneagm.sg/SBST\_AGM2023** and indicate your interest to attend the AGM physically at the AGM venue.

Shareholders who are appointing Proxy(ies) to attend the Physical Meeting on his/her behalf should inform his/her Proxy(ies) to pre-register and specify his/her/their intention to attend the Physical Meeting at the URL: **www.conveneagm.sg/SBST\_AGM2023** not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Monday, 24 April 2023), failing which the appointment shall be invalid.

Verified Shareholders and Proxy(ies) who are successful in the pre-registration to attend the Physical Meeting will receive an email by Tuesday, 25 April 2023 (“**Confirmation Email for Physical Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form.

Shareholders who have registered by 10.00 a.m. on Monday, 24 April 2023 but have not received the Confirmation Email for Physical Meeting by Tuesday, 25 April 2023, please email to **ir@sbstransit.com.sg**.

If you have any queries on the attendance at the AGM venue, please email to **ir@sbstransit.com.sg**.

# NOTICE OF ANNUAL GENERAL MEETING

## 2. Submission of Questions

- (a) Submission of questions in advance of the AGM:

Shareholders can submit questions in advance relating to the businesses of the AGM either via:

- (i) electronic mail to **ir@sbstransit.com.sg**; or
- (ii) the Company's AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2023**.

All questions must be submitted by 10.00 a.m. on Friday, 14 April 2023.

The Company will endeavour to address questions which are substantial and relevant by 10.00 a.m. on Friday, 21 April 2023, which is seventy-two (72) hours prior to the closing date and time for the lodgement of the proxy forms (i.e. 10.00 a.m. on Monday, 24 April 2023).

- (b) Submission of questions during the AGM:

### Virtual Meeting

### Physical Meeting

Shareholders and Proxy(ies) who have pre-registered and been verified to attend the AGM proceedings via the Live Webcast will be able to ask questions relating to the agenda of the AGM during the AGM by:

Verified Shareholders and Proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

- (i) Submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.
- (ii) Clicking the "Ask a Question" feature and then clicking the "Queue for Video Call" via the Live Webcast. The relevant Shareholder or Proxy will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audio-visual means during the AGM within a certain prescribed time limit.

- (c) Where there are substantially similar questions for the Virtual Meeting and Physical Meeting, the Company will consolidate such questions. As a result, the questions received may not be addressed individually.

## 3. Voting

Live voting will be conducted during the AGM for Shareholders and Proxy(ies) attending the Physical Meeting or Virtual Meeting. It is important for Shareholders and Proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.

Shareholders and Proxy(ies) will be required to log-in via the email address provided during the pre-registration or as indicated in the Proxy Form.

The Proxy Form for the AGM may be accessed at the Company's website at **www.sbstransit.com.sg/agm2023proxyform**, or on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, **www.conveneagm.sg/SBST\_AGM2023**.

# NOTICE OF ANNUAL GENERAL MEETING

(a) Live Voting

Shareholders and Proxy(ies) may cast their votes in real time for each resolution to be tabled during the AGM via the log-in credentials created during the pre-registration or via their SingPass accounts. Shareholders and Proxy(ies) will have the opportunity to cast their votes via the live voting feature. Shareholders and Proxy(ies) must bring a web-browser enabled device in order to cast their votes.

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should instead approach their Relevant intermediary as soon as possible to specify voting instructions.

(b) Voting via appointing the Chairman of the Meeting as proxy:

As an alternative to the above, Shareholders may also vote at the AGM by appointing the Chairman of the Meeting as proxy to vote on their behalf. Duly completed Proxy Forms must be:

- (i) deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
- (ii) sent via electronic mail to **agm2023@sbstransit.com.sg**; or
- (iii) lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2023**,

and submitted by 10.00 a.m. on Monday, 24 April 2023, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

(c) CPF/SRS Investors:

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should not make use of the Proxy Form and should instead approach their respective intermediary as soon as possible to specify voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on Monday, 17 April 2023), to ensure that their votes are submitted.

#### 4. Access to documents or information relating to the AGM

Copies of the following documents have been uploaded on SGXNET on 29 March 2023 and may be accessed via SGXNET and also the Company's website at **www.sbstransit.com.sg**:

- (a) Annual Report for the financial year ended 31 December 2022;
- (b) Circular dated 29 March 2023 in relation to the proposed renewal of the Share Buyback Mandate;
- (c) ComfortDelGro Corporation Limited's notice of nomination to the Company dated 24 January 2023 on the appointment of EY as the auditors of the Company;
- (d) Deloitte's professional clearance letter to EY dated 27 March 2023; and
- (e) EY's letter to the Company dated 27 March 2023 in respect of its consent to act as auditors of the Company.

The copy of the Constitution of the Company is available for inspection at the registered office of the Company at 205 Braddell Road, Singapore 579701 during normal business hours, from the date hereof up to and including the date of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## 5. Filming and Photography

When a Shareholder or Proxy attends, speaks and votes at the AGM via electronic means or physically, he/she consents to his/her video and/or photographs being taken for the purpose of publication on the Company's website and publicity materials without further notification.

## FURTHER UPDATES

Shareholders should note that the manner of conducting the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNET. Shareholders are advised to check SGXNET and the Company's website regularly for any further updates.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any actions, proceedings, penalties, liabilities, claims, demands, costs, expenses, losses and damages suffered or incurred by the Company as a result of the member's breach of warranty.

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# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Sim Vee Ming, Mr Lim Tien Hock, Ms Chua Mui Hoong, Ms Susan Kong Yim Pui and Dr Tan Kim Siew, all of whom are seeking re-election as Directors of the Company at the Thirtieth AGM to be held on Thursday, 27 April 2023, is to be read in conjunction with their respective biographies on pages 65 to 66.

	<b>SIM VEE MING</b> <b>Group CEO</b> <b>(Non-Independent Executive Director)</b>	<b>LIM TIEN HOCK</b> <b>CEO, Bus Business</b> <b>(Non-Independent Executive Director)</b>
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment	Mr Sim's in-depth knowledge of public transport operations, strong leadership and management skills will continue to enhance Board deliberations and drive the business forward.	Mr Lim's vast knowledge and experience of public transport operations and business experience with the Group, will continue to enhance Board deliberations and drive the business forward.
	<i>Please refer to Mr Sim Vee Ming's profile on page 13 of the Annual Report 2022.</i>	<i>Please refer to Mr Lim Tien Hock's profile on page 14 of the Annual Report 2022.</i>
Working experience and occupations(s) during the past 10 years	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – Group CEO (Appointed Director on 1 Jan 2023)</li> <li>SBS Transit Rail Pte. Ltd. – CEO (Appointed Director on 1 Apr 2022)</li> <li>SBS Transit Mobility Pte. Ltd. – (Appointed Director on 8 Aug 2022)</li> <li>Auckland One Rail Limited – (Appointed on 17 Jun 2022)</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – Group CEO (since 1 Jan 2023)</li> <li>SBS Transit Rail Pte. Ltd. – CEO (since 1 Jan 2022)</li> </ol> <p><b><u>Past 10 years Directorships:</u></b> NIL</p>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – CEO, Bus Business (Appointed Director on 28 Apr 2022)</li> <li>SBS Transit Rail Pte. Ltd. (Appointed Director on 1 Apr 2022)</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – CEO, Bus business (since 28 Apr 2022)</li> </ol> <p><b><u>Past 10 years Directorships: Appointments in ComfortDelGro Group:</u></b></p> <ol style="list-style-type: none"> <li>CityCab Pte Ltd (19 Jan 2022 to 31 Dec 2022)</li> <li>Comfort Transportation Pte Ltd (1 Apr 2021 to 31 Dec 2022)</li> <li>ComfortDelGro Driving Centre Pte Ltd (1 Aug 2018 to 31 Dec 2022)</li> <li>ComfortDelGro Medicare Pte. Ltd (15 Dec 2020 to 31 Dec 2022)</li> <li>Ming Chuan Transport Pte Ltd (24 Jan 2022 to 31 Dec 2022)</li> <li>Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd.</li> </ol>
Shareholding interest in the listed issuer and its subsidiaries	<p><b><u>Direct Interest:</u></b> ComfortDelGro Corporation Limited* – 23,750 ordinary shares</p> <p><b><u>Deemed Interest:</u></b> ComfortDelGro Corporation Limited* – 5,000 ordinary shares</p> <p><b><u>Share Options:</u></b> CDG ESAS – 26,250 Unvested Shares SBS ESAS – 25,000 Unvested Shares</p>	<p><b><u>Direct Interest:</u></b> ComfortDelGro Corporation Limited* – 50,000 ordinary shares</p> <p><b><u>Deemed Interest:</u></b> ComfortDelGro Corporation Limited* – 41,000 ordinary shares</p> <p><b><u>Share Options:</u></b> CDG ESAS – 80,000 Unvested Shares</p>



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>CHUA MUI HOONG (Independent Non-Executive Director)</b>	<b>SUSAN KONG YIM PUI (Non-Independent Non-Executive Director)</b>	<b>TAN KIM SIEW (Independent Non-Executive Director)</b>
Singapore	Singapore	Singapore
Ms Chua's media experience and knowledge in political and social affairs will enhance Board deliberations and contribute towards the core competencies of the Board	Ms Kong, a practising lawyer, is a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets. Ms Kong's extensive knowledge and experience in business laws will continue to value-add relevant knowledge, skills, experience and provide constructive diverse views to the Board.	Dr Tan, a qualified engineer, has vast experience in the Civil Service, which will enhance Board deliberations and contribute towards the core competencies of the Board
<i>Please refer to Ms Chua Mui Hoong's profile on page 15 of the Annual Report 2022.</i>	<i>Please refer to Ms Susan Kong Yim Pui's profile on page 15 of the Annual Report 2022.</i>	<i>Please refer to Dr Tan Kim Siew's profile on page 17 of the Annual Report 2022.</i>
<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – Director (Appointed on 26 Apr 2019)</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>SPH Media Trust (Company Limited by Guarantee) – Associate Editor of The Straits Times</li> </ol> <p><b><u>Past 10 years Directorships:</u></b></p> <ol style="list-style-type: none"> <li>Agri-Food and Veterinary Authority – (Appointed Director from 2015 to 2019)</li> <li>Straits Times Press Pte Ltd – (Appointed Director from 2008 to 2016)</li> </ol>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – (Appointed on 1 Oct 2017)</li> <li>ComfortDelGro Corporation Limited* – (Appointed on 1 Jan 2023)</li> <li>HealthServe Limited – (Appointed Director on 17 Aug 2017)</li> <li>Q.E.D. Law Corporation – (Appointed Director on 15 Dec 2012)</li> <li>Singapore Tyler Print Institute (Company Limited by Guarantee) – (Appointed Director on 19 Oct 2007)</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>Q.E.D. Law Corporation – (since 15 Dec 2012)</li> </ol> <p><b><u>Past 10 years Directorships:</u></b></p> <p>NIL</p>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd* – (Appointed Director on 1 Jun 2019)</li> <li>VICOM Ltd* – (Appointed Director on 1 May 2018)</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <p>NIL</p> <p><b><u>Past 10 years Directorships:</u></b></p> <ol style="list-style-type: none"> <li>Inland Revenue of Singapore – Commissioner of Inland Revenue (2012 – 2014)</li> </ol>
NIL	NIL	NIL

\* Listed Company

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>SIM VEE MING</b> <b>Group CEO</b> <b>(Non-Independent Executive Director)</b>	<b>LIM TIEN HOCK</b> <b>CEO, Bus Business</b> <b>(Non-Independent Executive Director)</b>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes or No)	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>CHUA MUI HOONG</b> <b>(Independent Non-Executive Director)</b>	<b>SUSAN KONG YIM PUI</b> <b>(Non-Independent Non-Executive Director)</b>	<b>TAN KIM SIEW</b> <b>(Independent Non-Executive Director)</b>
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>SIM VEE MING</b> <b>Group CEO</b> <b>(Non-Independent Executive Director)</b>	<b>LIM TIEN HOCK</b> <b>CEO, Bus Business</b> <b>(Non-Independent Executive Director)</b>
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

CHUA MUI HOONG (Independent Non-Executive Director)	SUSAN KONG YIM PUI (Non-Independent Non-Executive Director)	TAN KIM SIEW (Independent Non-Executive Director)
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>SIM VEE MING</b> <b>Group CEO</b> <b>(Non-Independent Executive Director)</b>	<b>LIM TIEN HOCK</b> <b>CEO, Bus Business</b> <b>(Non-Independent Executive Director)</b>
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of : –	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHUA MUI HOONG**  
(Independent Non-Executive Director)

**SUSAN KONG YIM PUI**  
(Non-Independent Non-Executive  
Director)

**TAN KIM SIEW**  
(Independent Non-Executive Director)

No

No

No

No

No

No

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**SBS TRANSIT LTD**

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199206653M)

**PROXY FORM  
ANNUAL GENERAL MEETING****IMPORTANT**

1. The Thirtieth Annual General Meeting (the "AGM") of the Company will be held physically ("Physical Meeting") and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Virtual Meeting").
2. CPF/SRS investors who intend to exercise the voting rights attached to their SBS Transit Ltd shares purchased using their CPF/SRS monies are requested to contact their respective CPF/SRS Approved Nominees.
3. By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 29 March 2023.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)  
of \_\_\_\_\_ (Address)

being a member/members of SBS Transit Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

or failing the person, or either or both of the persons, referred to above at the commencement of the live voting at the Annual General Meeting (the "AGM" or "Meeting"), the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Thirtieth AGM to be held at the Auditorium of Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906 on Thursday, 27 April 2023 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions	No. of Votes For <sup>(1)</sup>	No. of Votes Against <sup>(1)</sup>	No. of Votes Abstained <sup>(1)</sup>
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2.	Declaration of Final Dividend for the financial year ended 31 December 2022			
3.	Approval of Directors' Fees amounting to S\$814,235 for financial year ended 31 December 2022			
4.	Re-election of Mr Sim Vee Ming as a Director			
5.	Re-election of Mr Lim Tien Hock as a Director			
6.	Re-election of Ms Chua Mui Hoong as a Director			
7.	Re-election of Ms Susan Kong Yim Pui as a Director			
8.	Re-election of Dr Tan Kim Siew as a Director			
9.	Appointment of Ernst & Young LLP as auditors in place of the retiring auditors, Deloitte & Touche LLP, and authorising the Directors to fix their remuneration.			
<b>Special Business</b>				
10.	Authority to issue shares under the SBS Executive Share Scheme			
11.	Renewal of the Share Buyback Mandate			

<sup>(1)</sup> If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick [v] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total Number of Shares Held in <sup>(Note 4)</sup> :	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) / Common Seal

**IMPORTANT : PLEASE READ NOTES OVERLEAF**

**NOTES:**

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member, who is a Relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.  
"Relevant intermediary" means:
  - (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be submitted in the following manner:
  - (a) If submitted by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - (b) If submitted by electronic mail, be sent to **agm2023@sbstransit.com.sg**; or
  - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2023**, in each case, by **10.00 a.m. on Monday, 24 April 2023**, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.
6. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. CPF or SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Monday, 17 April 2023). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
8. The Company shall be entitled to reject an instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy which has been lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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stamp

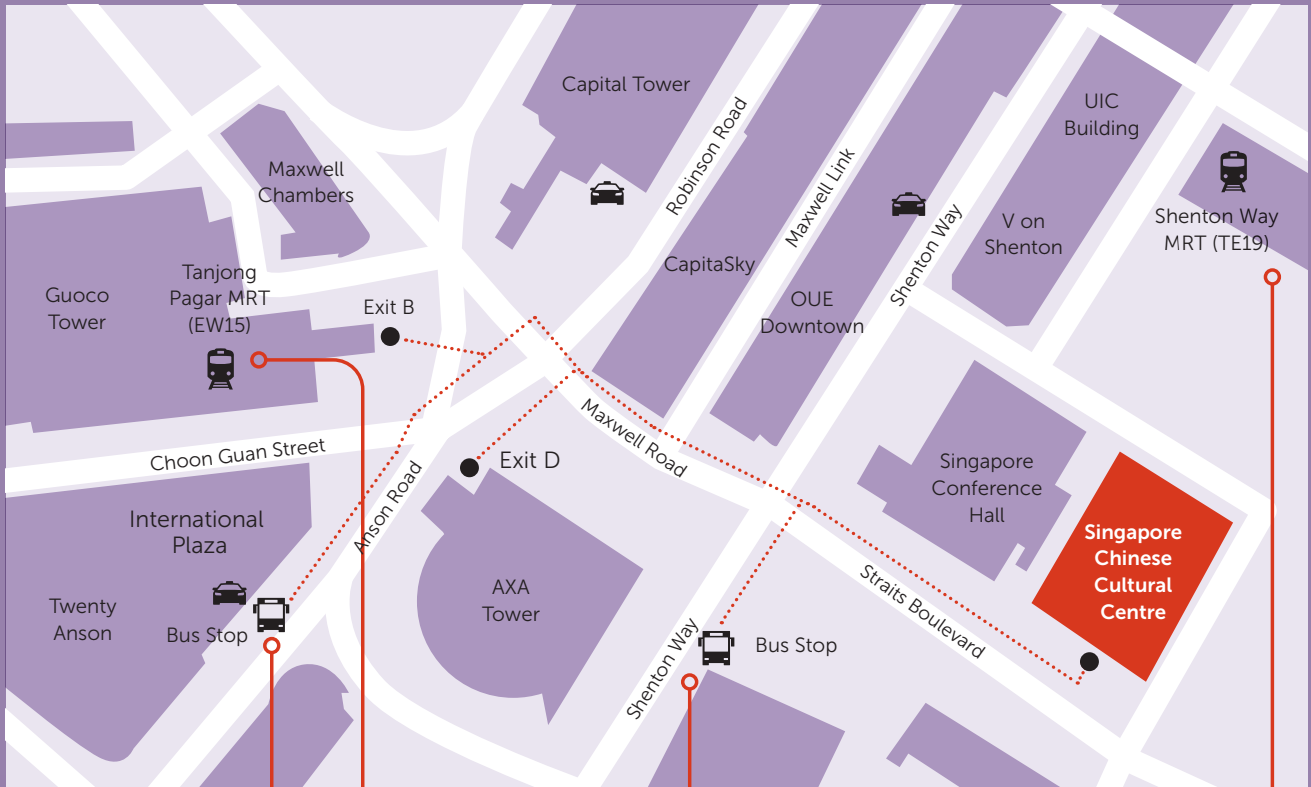
**THE COMPANY SECRETARY**

SBS Transit Ltd  
205 Braddell Road  
Singapore 579701

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

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**BY BUS:  
TANJONG PAGAR  
STN EXIT C (03223)**

Bus 57, 131, 167, 186,  
400, 970

About a ten-minute  
walk from the bus stop

**BY MRT:  
TANJONG PAGAR  
(EW15)**

About a seven-minute  
walk from Exit B or D

**BY BUS:  
OPPOSITE  
AXA TOWER (03217)**

Bus 10, 10e, 57, 97, 97e,  
100, 131, 502, 982E

About a five-minute  
walk from the bus stop

**BY MRT:  
SHENTON WAY  
(TE19)**

About a three-minute  
walk from Exit 3

**PLEASE NOTE THAT THE THIRTIETH ANNUAL GENERAL MEETING  
OF SBS TRANSIT LTD WILL BE HELD ON THURSDAY, 27 APRIL 2023,  
AT 10.00 A.M. VIA ELECTRONIC MEANS AND IN PERSON AT:**

AUDITORIUM  
SINGAPORE CHINESE CULTURAL CENTRE  
1 STRAITS BOULEVARD  
SINGAPORE 018906



**SBS Transit Ltd**

205 Braddell Road  
Singapore 579701

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Facsimile (65) 6287 0311  
[www.sbstransit.com.sg](http://www.sbstransit.com.sg)  
Company Registration No. 199206653M